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# BOOK-KEEPING

## BY SINGLE AND DOUBLE ENTRY.

FOR SCHOOLS AND COLLEGES.

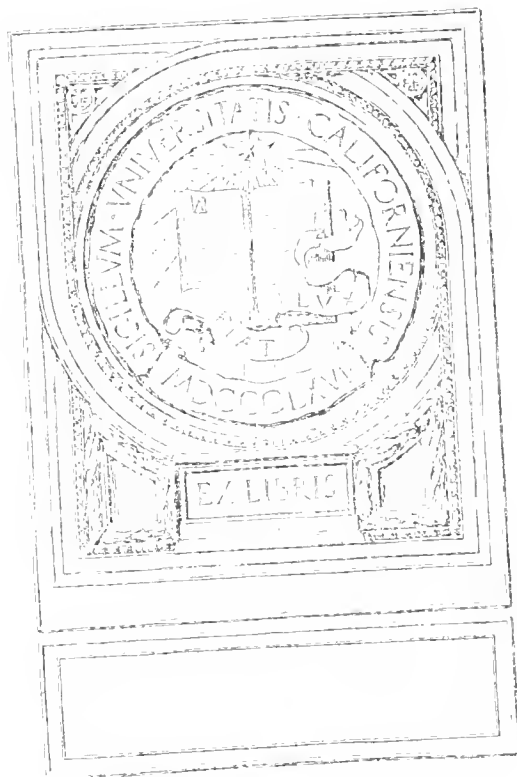
REVISED.

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BY  
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# BOOK-KEEPING, BY SINGLE AND DOUBLE ENTRY.

For Schools and Academies.

ADAPTED TO  
PAYSON, DUNTON & SCRIBNER'S COMBINED SYSTEM OF PENMANSHIP.

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## P R E F A C E .

THE importance of the study of Bookkeeping, as a branch of Common School education, is now generally admitted; and, in offering this book to the public, the only apology which the authors deem necessary is the almost universal demand for a text-book adapted to the wants of pupils in the Common Schools of the country.

The peculiar feature of this book is, that those portions which are to be written by the learner are engraved in imitation of real *manuscript Account-Books*. By this means the mechanical part of Bookkeeping, which is no small part, is taught by example. Different styles of writing should be employed for the different parts of the books. The "ledger-headings" should be written in a much larger and bolder hand than the entries in the same book, and the names of persons and places in the Day Book should stand out so as to be seen at a glance. The advantages of this form over the printed one must be evident to every teacher who is interested in this study.

The manuscript "Forms," with the Explanations, will aid the learner both in writing and

composing similar papers in the transaction of business.

The style of *penmanship* employed in this book is the same as that of "PAYSON, DUSTON, AND SCRIBNER'S COMBINED SYSTEM OF RAPID PENMANSHIP," so generally used in every part of the Union; and this book may be considered a continuation of that series of Writing Books. The intimate connection between Penmanship and Bookkeeping makes this arrangement very appropriate.

The language of the Rules and Explanations is intended to be as plain and simple as possible, without being childish, — such, in fact, as is used by the most successful teachers in addressing their pupils, — language that will not need to be *translated* in order to render it intelligible.

Those who may use this book are reminded that it should be studied as other text-books are, and that merely writing the books through will not give them a thorough understanding of the subject; — as well might they expect to obtain a perfect knowledge of Arithmetic by simply copying the solutions from a *key*.

THE AUTHORS.

Boston, September 25, 1858.

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# BOOK-KEEPING.

## DEFINITIONS OF MERCANTILE TERMS.

*Acceptance.* The receiving of a Draft, or Bill of Exchange, in such a manner as to bind the acceptor to make payment. This is done by writing the word "Accepted," with the signature, date, &c., across the face of the Bill.

*Assets.* Property of all kinds.

*Average.* A medium of time or quantity; average.

*Balance.* The difference between the two sides of an account.

*Bill.* A written statement of particulars; a copy of an account.

*Bills.* A general name for notes, drafts, &c.

*Bound.* A written obligation to fulfil a contract.

*Capital.* Property invested in business.

*Commission.* A compensation for buying or selling goods, or for other services.

*Consignment.* Goods sent or delivered to an agent for sale.

*Counter.* Opposite side.

*Credit.* To trust; confidence. The side of an account on which payment received is entered.

*Debit.* To charge with debt; or the charge itself.

*Dividend.* The amount divided; as gains among partners or stockholders.

*Discount.* To deduct a certain sum or rate per cent. from the principal sum; an allowance for the use of money before it is due.

*Draft.* An order for the payment of money.

*Duty.* A tax imposed by Government on imported goods.

*Endorse.* To write one's name on the back of a note or bill.

*Firm.* The members of a partnership; the company.

*Folio.* A page in a book; formerly two opposite pages.

*Guarantee.* Assurance for the payment of a debt, or for the performance of a contract.

*Insurance.* Security against loss by fire, or otherwise.

*Insolvency.* Inability to pay one's debts.

*Interest.* An allowance for the use of money.

*Invoice.* A bill of the goods bought, or consigned.

*Inventory.* A list of the items of one's property.

*Liability.* A debt or obligation to pay.

*Net.* The exact amount after all deductions.

*Note.* A written promise to pay in money or goods.

*Order.* A written request for the payment or delivery of anything to a third person.

*Partnership.* A union of two or more persons in trade; joint interest.

*Pledge.* The written agreement between the insurer and the insured.

*Principal.* The leading member of a firm; a sum on which interest is computed.

*Protest.* A legal notice that a note or bill was not accepted when presented, or not paid when due.

*Receipt.* A written acknowledgment of the payment of money, &c.

*Resources.* Assets available for business.

*Sight* (of a draft or bill). Presentation for payment, or for acceptance.

*Solvent.* Able to pay one's debts.

*Stock.* A term applied to the person who carries on business.

*Tare.* An allowance for the weight of the box, cask, &c., in which goods are packed.

*Transfer.* To convey from one account to another.

## ABBREVIATIONS, &c.

<i>Ac.</i>	Account.	<i>lb.</i>	Pounds (weight).
<i>Am.</i>	Amount.	<i>L. F.</i>	Leiger folio.
<i>Aug.</i>	August.	<i>Mar.</i>	March.
<i>Bal.</i>	Balance.	<i>Merce.</i>	Merchandise.
<i>Bbl.</i>	Barrel.	<i>mo.</i>	Month.
<i>B. B.</i>	Bill-Book.	<i>Nov.</i>	November.
<i>Bou.</i>	Bought.	<i>N. B.</i>	Take notice.
<i>Cap.</i>	Capital.	<i>Oct.</i>	October.
<i>C. B.</i>	Cash Book.	<i>p.</i>	Page.
<i>Co.</i>	Company.	<i>Pa.</i>	Pair.
<i>Com.</i>	Commission.	<i>P.</i>	Pair.
<i>Cr.</i>	Credit.	<i>Pay.</i>	Payment.
<i>Cwt.</i>	Hundred weight.	<i>P &amp; L.</i>	Profit and Loss.
<i>D. B.</i>	Day-Book.	<i>P. C. B.</i>	Petty Cash-Book.
<i>Dec.</i>	December.	<i>per. ct.</i>	Per cent.
<i>Dft.</i>	Draft.	<i>Prem.</i>	Premium.
<i>Dis.</i>	Discount.	<i>Recd.</i>	Received.
<i>Dr.</i>	Debtor.	<i>R. R.</i>	Rail Road.
<i>d.</i>	Pence.	<i>Sept.</i>	September.
<i>d's.</i>	Days.	<i>Sund.</i>	Sundries.
<i>Doz.</i>	Dozen.	<i>S. B.</i>	Sales-Book.
<i>ea.</i>	Each.	<i>ult.</i>	Last month.
<i>Eng.</i>	English.	<i>viz.</i>	Namely.
<i>Ex.</i>	Example.	<i>Yds.</i>	Yards.
<i>Exch.</i>	Exchange.	<i>y.</i>	Year.
<i>Feb.</i>	February.	<i>@</i>	At.
<i>Frt.</i>	Freight.	<i>c</i>	Cents.
<i>fol.</i>	Folio, or page.	<i>of</i>	Account.
<i>fr.</i>	From.	<i>per</i>	Per cent.
<i>Gal.</i>	Gallon.	<i>£</i>	Number.
<i>Hhd.</i>	Hogs-head.	<i>+</i>	Add.
<i>I. B.</i>	Invoice-Book.	<i>—</i>	Subtract.
<i>i. e.</i>	That is.	<i>x</i>	Multiply.
<i>Ins.</i>	Insurance.	<i>÷</i>	Divide.
<i>int.</i>	The present month.	<i>14.</i>	14.
<i>Inv.</i>	Inventory.	<i>72.</i>	72.
<i>Jan.</i>	January.	<i>24.</i>	24.
<i>J. F.</i>	Journal Folio.	<i>1</i>	1 shilling.
<i>2</i>	Pounds (money).	<i>2 6</i>	2s. & 6d.

# B O O K K E E P I N G .

## I N T R O D U C T I O N .

BOOKKEEPING is the art of recording mercantile transactions in a regular and systematic manner.

There are two methods by which books are kept: one called Single Entry, and the other Double Entry.

In *single entry* Bookkeeping, but one entry is generally made, in the Ledger, for each transaction: while

in *double entry* the same amount is entered on two different accounts.

Example: If I sell John Smith a barrel of flour which he does not pay for at the time, I charge it on his account: and in single entry this is the only account on which it is entered: but in double entry, besides being debited on Smith's account, it is also credited on the Merchandise account:—hence the name Double Entry.

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## S I N G L E   E N T R Y .   F I R S T   S E T .

This set is introduced to show the learner some of the simplest operations of Bookkeeping: such as posting, balancing the accounts, &c.

It represents the business of a small *wholesale* and *retail* store, different kinds of goods being mentioned, to give examples of the style of writing, and the abbreviations appropriate to each.

## B O O K S .

The books used in this set are the Day-Book and Ledger. The Cash-Book is omitted, to make it more simple,—although a Cash-Book should be kept by a person doing such a business.

## D A Y - B O O K .

In the Day-Book the various transactions are recorded, each day, in the order in which they occur, the *debts* and *credits* belonging to different persons being *mixed together*.

This book should be a kind of history of the business of each day, containing all the particulars which are worthy of being remembered. Such a history will prevent disputes about many things, which would be forgotten by one party or the other, if trusted to the memory. Agreements, contracts, &c., are often written in the Day-Book.

# BOOK KEEPING.

The use of the Day-Book, and the manner of making entries in it, can be learned from the examples below.

## DEBTOR and CREDITOR.

The person who *owes* is the debtor, and the one who *is owed* by another is the creditor.

Thus, if I sell John Brown a pound of Tea, for which he does not pay me at the time, he owes me for it, and is therefore Dr. to me, and I am the creditor.

But it is customary to put the name of the article sold instead of the name of the seller, as follows:

<i>John Brown,</i>	<i>Dr.</i>
<i>To 1 pound of Tea, &amp;c.</i>	

If I sell George Thompson a "Webster's Dictionary" for \$5, to be charged on his account, what will be the form of the Day-Book entry?

Answer. <i>George Thompson,</i>	<i>Dr.</i>
<i>To 1 Webster's Dictionary, . . .</i>	<i>\$5.00</i>

If I should buy a Quarto Bible of him on account, for \$10, what entry should I make on my Day-Book?

Answer. <i>George Thompson,</i>	<i>Cr.</i>
<i>By 1 Quarto Bible, . . .</i>	<i>\$10.00</i>

The words "To" and "By," as used in the above examples, do not have their usual meaning. The word "For" would better answer the purpose.

## EXAMPLES TO BE WRITTEN IN DAY-BOOK STYLE.

1. Sold E. Y. Butler, on account, 6 dozen Payson, Dutton & Scribner's Writing Books, at \$1.00 per dozen.

2. Bought of Crosby, Nichols, Lee & Co., on account, 10 reams Cap Paper, at \$4.50 per ream.

NOTE. Receipts and payments of money on account are entered in the Day-Book in a similar manner. Thus, if I should pay Crosby, Nichols, Lee & Co. \$25.00 towards the amount I owe them, the Day-Book entry would be

<i>Crosby, Nichols, Lee &amp; Co.,</i>	<i>Dr.</i>
<i>To Cash, . . . . .</i>	<i>\$25.00</i>

3. Sold John D. Philbrick 100 Single Entry Book-keeping, at 37½ cents, for which he paid \$20 Cash, the balance to be paid in three months.

It is not enough to charge the amount which remains unpaid, but the whole amount sold should be charged, and then whatever is received in payment should be credited also, as follows:

<i>John D. Philbrick,</i>	<i>Dr.</i>
<i>To 100 Single Entry Bookkeeping, at 37½ cts.,</i>	<i>\$37.50.</i>
<i>By Cash on acc't., . . . . .</i>	<i>\$20.00</i>

## DIRECTIONS FOR WRITING THE DAY-BOOK.

After the learner has studied the foregoing carefully, he should copy the following Day-Book into a blank book provided for the purpose, omitting the figures in the left-hand column until he begins to post. The ruling may be done as he proceeds, or he may omit it till he has written a whole page, and then rule that page at once. The pages of the blanks are of the same size as those of the text-book, and the pupil should write about the same words on a line as are found in the text-book, so that the pages may correspond.

SINGLE ENTRY.

FIRST SET.

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DAY--BOOK.

## EXPLANATIONS OF THE DAY-BOOK ENTRIES.

NOTE. This first set of books was intended to show some of the simpler forms of Bookkeeping, rather than to teach the principles; but as this subject should be very thoroughly explained to young beginners, the following may be found useful:—

The *heading* at the top of the page shows where the business was done, and when. It is well, also, to write the day of the week thus: "Boston, Wednesday, Jan. 2, 1858," because that in finding any particular entry, it is often easier to remember the day of the week on which the transaction took place, than that of the month.

*Jan. 1.* I sold the Boots and Shoes to Amos Bennett, but as he did not pay for them at that time, I charged them to him, expecting him to pay me at a future time.

The transactions of the 2d, 3d, and 4th, are of a similar nature, and are entered in a similar manner.

*Jan. 5.* Amos Bennett paid me \$25, as a part of what he owed me, and I gave him credit for it, that it might be posted to his account in the Ledger.

*Jan. 7.* I had bought Butter of him, and he had done some labor for me, and the entry was made in a similar manner to that of the 5th, except that "on acct." was not used.

In this case he had given me a bill of the labor, stating how much and what kind of labor he had done for me, which I have kept "on file," and therefore it was not necessary to write these particulars on the book.

You will see that I have specified not only the number of pairs, but also the kind and price of each:—in fact, all the particulars that are needed to prevent a misunderstanding, if either he or I should forget them.

*Jan. 8.* Chas. D. Emmons bought 3 bbls. of Apples of me, and at the same time paid me \$15, and sold me some Butter: I therefore charged the Flour to him, and gave him credit for the Cash and the Butter, all in one entry, writing "Cr." over the items received from him, and drawing a short line on each side of it, that I might be sure to see it when posting.

*Jan. 12.* Martin Nason owed me and wished to pay me, and continue to trade with me,—and Frank Gardner owed him, but could not pay him then: so, at their request, I consented to give Nason credit for \$10, and charge the same to Gardner. That was the same to them as if Gardner had paid Nason \$10, and Nason had paid it to me; but now I must look to Gardner, instead of Nason, for my pay.

Transactions of this kind are very common between men doing business on a small scale, and are much better understood by them than they can be by young persons who have not yet learned to make bargains.

*Jan. 14.* This charge against O. P. Quinn was paid soon after the goods were bought, and before it was posted, and then there was no longer any need of posting it, but only to treat it as a sale for Cash.

*Jan. 14.* Henry Ingram paid me \$2.40, which was all he owed me. See Ledger, page 22.

*Jan. 19.* An examination of Bennett's Acct. on my Ledger, reminded me that I was owing him, and I therefore paid him a part of the debt, and charged the amount to him.

*Jan. 25.* This case is like that on the 8th, and is to be treated in the same manner.





*Ab. / .*

1. *Scaphium* (1891)

( )

*Handwritten:* 1000

(

—



1890

/

• / • x

...

11





## BOOK KEEPING.

### LEDGER.

The Ledger is the book in which the accounts are collected and arranged in a more systematic order than in the Day-Book. All the charges which have been made against any one person, throughout the whole Day-Book, are entered in the Ledger, under that person's name; and opposite to these are placed all the credits, if any, in his favor. This gives us a brief statement of our dealings with that person, and shows how our account stands with him; so that we are ready to settle with him at any time, without being obliged to look through the whole Day-Book while he is waiting. This process of transferring from the Day-Book to the Ledger is called *posting*.

When books are kept strictly by Single Entry, the only accounts kept are those with persons; and these show, on the Dr. side what they owe us, and on the Cr. side what we owe them.

There are several forms in which Ledger accounts may be written.

The most common form, however, is that in which the page of the Ledger is divided vertically into two narrow pages, the Dr. side of the account being written upon the left-hand half page, and the Cr. side upon the right-hand half.

These half pages are each divided into five spaces, the first for the *dates*, the second for the *descriptions*, the third for the figures which refer to the *pages of the Day-Book*, the fourth for the *dollars*, and the fifth for the *cents*.

### POSTING.

When the Day-Book is all copied, the student may *open the accounts* in the Ledger; that is, write the names of the different persons with whom he is to keep accounts in the blank Ledger, placing "Dr." and "Cr." at the top of each page.

This being done, he should begin with the first entry in the Day-Book, and post each one *as he comes to it*.

To post this first charge against Amos Bennett, turn to his account in the Ledger, and under his name, on the left-hand, or Dr. side, write the date in the first column; the description "To Mdse.," in the second; the page of the Day-Book where this charge is found, in the third; and the amount, in the fourth, as below:

Dr.	AMOS BENNETT.	Cr.
1858	Jan. 1. To Mdse. 100	

Then put the figure "1" in the left-hand margin of the Day-Book, opposite to Bennett's name, so that it is posted on the first page of the Ledger.

This "*posting*," should be made as soon as the entry is posted, and not till then, as it serves to show which entries are posted, and thus prevents omitting any, or posting them twice.

Next, post the debit of the second day to the account

# BOOKKEEPING.

of Charles D. Emmons, in the same manner, and so proceed till the whole Day-Book is posted.

But a word or two should be used for the *description*, so that it may occupy but one line in the Ledger: and the learner may use his own judgment in selecting such words as will best express the nature of the transaction. Some bookkeepers do not insert any *description* in the Ledger, entering only the date, the page of the Day-Book, and the amount.

If any mistakes should be made, they should be corrected by making another entry, and not by erasing the wrong one. Thus, if a sum is *debited* on any account where it ought not to be, it may be corrected by *crediting* the account for the same amount; and if an entry is made on the wrong side of an account, it should first be corrected by entering the same amount on the other side of the account, "To Error," or "By Error," and also by making the proper entry where it should have been at first.

## BALANCING THE ACCOUNTS.

Before beginning to *balance* or *close* the accounts, review the posting, comparing each entry in the Day-Book with the corresponding one in the Ledger, to see that the *right amount* is entered on the *right side* of the *right account*. If it is all found to be correct, begin with the first account, and add each side of it. Subtract the smaller amount from the greater, and the difference is called the *balance*. Enter this balance on

the smaller side, and the footings of the two sides will be equal.

Before balancing, the first account will appear as follows:

Dr.		AMOS BENNETT,						Cr.	
1858		D.B.	Dols.	cts.	1858		D.B.	Dols.	cts.
Jan. 1	To Mdse. .	1	43	00	Jan. 1	By Cash .	1	25	00
" 19	" Cash .	4	34	50	" 7	" Sundries	2	69	00
					" 12	" Mdse. .	3	32	13

The amount of the Dr. side is \$77.50, and the Cr. side is \$126.13. The difference is \$48.63. If this balance is entered on the smallest side, the footing of the two sides will be alike, and the account is said to be balanced.

Rule as in the text-book, and finally *bring down* the balance below the ruling, and on the opposite side, thus beginning a new account, as seen below:

Dr.		AMOS BENNETT,						Cr.	
1858		D.B.	Dols.	cts.	1858		D.B.	Dols.	cts.
Jan. 1	To Mdse. .	1	43	00	Jan. 1	By Cash .	1	25	00
" 18	" Cash .	4	34	50	" 7	" Sundries	2	69	00
" 30	" Balance	4	48	63	" 12	" Mdse. .	3	32	13
			\$126	13				\$126	13
					1858				
					Feb. 1	By Balance		\$48	63

When the Dr. side is the largest, the balance will be entered on the Cr. side, as may be seen on Charles D. Emmons's account in the Ledger, page 1.

Those accounts which are settled, are ruled and *footed* in a similar manner, as in Frank Gardner's account, on the second page; and any account which has but one item on it, may be left as it is, like James K. Lyman's, on the third page.

The *closing entry*, "To Balance, 4, \$48.63," is often made with red ink, in order to distinguish it from the other entries, which are *real* debits or credits; and if red ink is used for the ruling, it will improve the appearance of the books. But those who do not wish to take the trouble to change the ink, may use but one color for the whole.

In actual business, the accounts are sometimes settled at the end of the year; and if there is room enough in the Ledger for another year's business, the balances are brought down, and the accounts are continued for another year. Those accounts which are settled before the time for closing the books, should be balanced on the Ledger at the time of settlement; so, in this book, whenever an account is settled, it should be closed, without waiting till the whole Day-Book is posted.

#### BALANCE SHEET, OR BALANCE ACCOUNT.

After closing the accounts, the unsettled balances may be collected together on what is called a "Balance Sheet," or each of these balances may be carried to the

Balance Sheet, as soon as the account is balanced. This Balance Sheet, or Balance Account, is convenient even when the balances are *brought down* to new account, because it shows all the balances at one view. All the balances due *from* others, together with the cash, notes, merchandise, materials, and all other *property on hand*, should be placed on the Dr. side; and the balances due from us *to* others, as well as the notes we owe, if any, on the Cr. side. This will be better understood by referring to the engraved form at the end of the Ledger.

The amount of Merchandise on hand at closing the books (\$1217.73) is supposed to be taken from an Inventory-Book; and the Cash (\$112.04) from the Cash-Book.

The difference between the assets on one side, and the debts on the other, must be the "net capital," or the "net insolvency." When the assets are more than the debts, the difference is the net capital; but when they are less, it is called the net insolvency. This account will be closed like other accounts, by entering the balance (which in this case is the "net capital") on the smaller side, and ruling and footing as usual.

The Balance Sheet, in this book, is placed at the end of the Ledger, for convenience; though in practice it may be put in some other book. Whenever a *new* Ledger is to be opened, the balances, as well as the names, may be taken from this sheet more conveniently than from the old Ledger, where they are scattered throughout the book.

QUESTIONS ON THE FIRST SET.

What is Bookkeeping?  
 How many methods are there?  
 What are they called?  
 In *single entry*, how many entries are made in the Ledger for each entry in the Day-Book?  
 How many in *double entry*?  
 Give an example in single entry.  
 What else would be done in double entry?  
 Why is double entry so called?  
 What kind of business is represented in the first set of books?  
 Why are different kinds of goods mentioned?  
 What books are used in this set?  
 Why is the Cash-Book omitted?  
 Should a Cash-Book be kept in such a business?  
 What are recorded in the Day-Book?  
 When, and in what order?  
 What should these records contain?  
 What will such a history prevent?  
 What is said of Agreements, Contracts, &c.?  
 What is the LEDGER, and how is it used?  
 What does it show?  
 What is the process of transferring from the Day-Book to the Ledger called?  
 What accounts are kept in single entry?  
 What do they show on the Dr. side?  
 What on the Cr. side?  
 In studying this book, what is the first thing to be done?  
 What should be omitted in the copying?  
 What is said of the *ruling*?  
 What of the blanks?  
 How much should be written on one line?  
 What is meant by opening the accounts?  
 In what order should the entries be posted?  
 How will you post the first entry?

When should the *post-mark* be made? Why?  
 What should be posted next?  
 What is said of the *description*?  
 How are mistakes to be corrected?  
 When the Day-Book is all posted, what should be done next?  
 Where will you begin to balance the accounts?  
 How do you balance an account?  
 What do you mean by the *balance*?  
 On which side must the balance be entered?  
 How will the account then stand?  
 After closing an account, what is to be done with the balance, if any?  
 How do you close an account which is settled, or paid in full?  
 What will you do with one which has but one item on it?  
 With what kind of ink is the closing entry often written?  
 Why is it used?  
 What is said of the *ruling*?  
 How often do business men balance their accounts?  
 In what case are the balances to be *brought down*?  
 May an account be closed at any time?  
 What is to be done with the unsettled balances, after closing the accounts?  
 Can the Balance Sheet be made as fast as the accounts are closed?  
 What is the advantage of the Balance Sheet?  
 On which side do we place the balances due to us?  
 On which side do we enter the property?  
 On which side those due from us to others?  
 What is the difference between the assets and the debts called?  
 When is it called net capital?  
 When net insolvency?  
 How will this account be closed?  
 Why is the Balance Sheet put in the Ledger, in this book?  
 Of what use is it in opening a new Ledger?



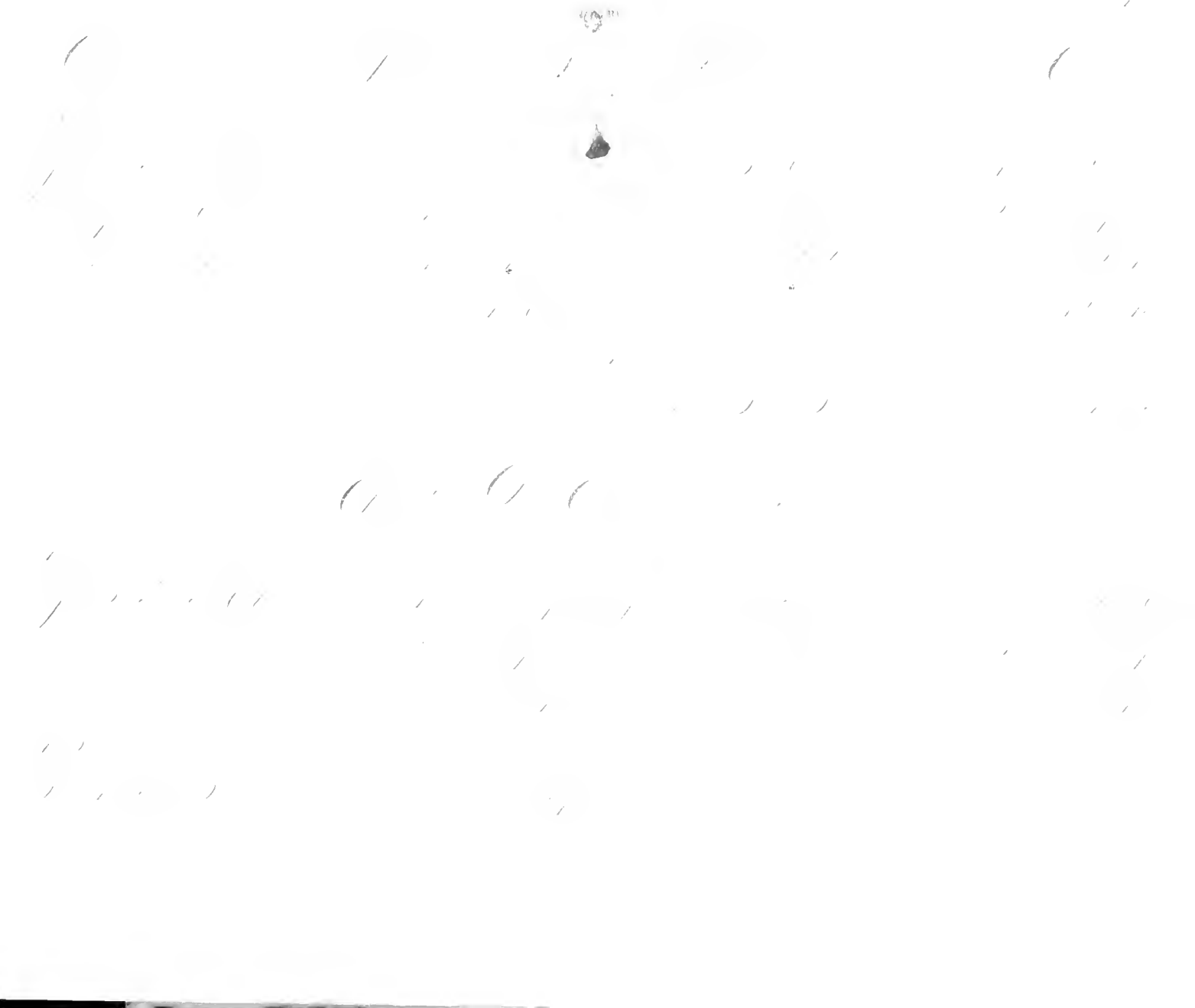
SINGLE ENTRY.

FIRST SET.

---

LEDGER.







1000 1000 1000 1000

1000 1000 1000 1000



**SINGLE ENTRY.**

SECOND SET.

---

**A RETAIL GROCERY BUSINESS.**

## SINGLE ENTRY.—SECOND SET.

The books used in this set are the Cash-Book, Day-Book, and Ledger. The Day-Book and Ledger are similar to those in the first set.

### C A S H - B O O K .

The main object of keeping a Cash-Book is to prevent mistakes in regard to the money, or to enable us the more easily to correct them, when they are made.

All the money received, as well as that paid out, should be entered in the Cash-Book, specifying for what it was received or paid out, so plainly as to be perfectly understood, even by a stranger.

The amount of Cash on hand at the commencement of business, and all that which is received from day to day, is entered on the left-hand or Dr. side; and that which is paid out is entered on the Cr. side.

The difference between the two sides, at any time, will be the sum which *ought to be* on hand; and the amount actually on hand, including that in the Bank, if any, should agree with this balance. If it does not agree, some mistake has been made, or a fraud committed.

To balance the Cash account at the end of Sept. 4, let us suppose the amount in the Bank to be \$200, and the amount in the drawer, or safe, \$36.05. The amount in Bank, and that in the Safe, added to the amount paid

out, should be equal to the amount on hand at first, added to that which has been received since, as follows:

<i>Dr.</i>	<i>Cash.</i>	<i>Cr.</i>
1858	1858	
Sept. 1 To Stock . . . . \$250 67	Sept. 1 By Expense . . . .	\$19 37
“ 3 “ H. Rand . . . . 15 00	“ 4 “ “ . . . .	10 25
	“ “ Bal. in B'k \$200,00	
	“ in Safe 36,05	236 05
	<u>\$265 67</u>	<u>\$265 67</u>
Sept. 5 Bal. brought down	\$236 05	

The Cash-Book should be balanced daily, in order to find the errors, before it is too late to correct them; but the ruling and footing need not be done on the book every day.

As no more Cash can be paid out than has been received (including the amount on hand at first), the amount of the Cr. side, if either, will always be the smallest; and the account will be balanced by entering the difference between the two sides on the Cr. side.

The Cash-Book for this set is represented as balanced only at the middle, and at the end of the month; but this is done to bring it within the space of two pages. The several items received, or paid out, during the week, are added, and the amounts are carried into the



outside columns of the two pages, respectively. This might as well be done every day, if the entries were numerous; but each bookkeeper will suit his own taste or convenience in matters of this kind.

The "Balance on hand" should include the amount in the Bank, which should also be specified in the closing entry.

It is customary, in retail business, to keep an account on a slate, or in a Petty Cash-Book, of the cash received for small sales, and to enter the whole amount on the Cash-Book, once a day. Such an account is supposed to be kept in this set, and the amount entered on the Cash-Book, once a week; and whenever the Cash account is balanced, the amount on the Petty Cash-Book, if one is kept, must be added to the amount on the Cash-Book.

#### DIRECTIONS FOR WRITING THE SECOND SET.

The learner may now compare the *History of the Business* with the *written* Day-Book of this set, to see what the transactions are, and the proper form in which to enter them in the Day-Book.

When he has become sufficiently familiar with this subject, he may proceed to write the entries in the blank Day-Book; not merely copying them from the text-book, but referring, constantly, to the printed "History," instead of confining himself to the written Day-Book.

The cash items must be transferred to the Cash-Book, as they are met with, thus carrying the Day-Book and

Cash-Book along together, as in real business. Those cash items for which any *person* is to be debited, or credited, must be entered in the Cash-Book and Day-Book also, so as to be posted from the Day-Book; and in the Cash-Book the mark "D. B." should be placed opposite to each of these entries, to show that they are in the Day-Book.

The receipts and payments of *Cash on account*, are entered in the Day-Book of this set because it is the general practice throughout the country; but it would be better to make these entries in the Cash-Book only, and then to post them from the Cash-Book. This method is used in the subsequent sets of this book.

#### HISTORY OF THE BUSINESS.

*Cincinnati, September 1, 1858.*

I commence business with the following resources: Cash, \$250.67; Merchandise, \$2560; Notes due me, \$692.80; Charles Smith owes me, on account, \$83.52; James Carlton, \$60.49; Henry Rand, \$48.20; Orlando Palmer, \$25.32.

I owe as follows: On Notes, \$175; to Preston and Evans, on account, \$90.44; to Harlow & Co., \$25.56.

*Sept. 1.*

Paid John Sawyer, for repairs on the Store, \$19.37.

Sold Orlando Palmer, on credit, a bbl. of Flour, for \$7.25.

# BOOKKEEPING.

*Sept. 2.*

Sold James Carlton, on account, 12 gallons of Sperm Oil, at \$1.50 per gallon; \* and 25 pounds Powdered Sugar, at 10 cents per pound.

3

Bought of Harlow & Co., on account, 4 boxes Havana Sugar, 1642 pounds net weight, at  $7\frac{1}{2}$  cents per pound.

"

Paid in Cash, for a set of Account Books, \$10.25.

4

Henry Rand has paid me \$15, on his old account.

"

Sold Dr. George Hammond, on account, 30 pounds Crushed Sugar, at 10 cents a pound; and 50 pounds Brown Havana Sugar, at  $8\frac{1}{4}$  cents per pound.

6

Bought of Preston & Evans, on account, Goods amounting to \$203.29. Paid them \$150 in Cash.

8

Bought of Wm. Lord, for Cash, Merchandise amounting to \$145.20.

"

James Carlton has paid me \$20 on account.

\* The student should find the amount, himself.

*Sept. 8.*

Orlando Palmer has been painting in the store  $4\frac{1}{2}$  days, at \$1.25 per day, for which I am to give him credit.

And I sell him 2 pounds of Coffee, at  $12\frac{1}{2}$  cents per pound; and 4 pounds Crushed Sugar, at  $12\frac{1}{2}$  cents per pound.

9

Sold Charles Smith, on account, a barrel of Flour for \$7, and a barrel of New Orleans Sugar, weighing 234 pounds,—weight of cask 20, net weight 214 pounds,—at 6 cents per pound.

10

Paid Cash for provisions, for my house, \$7.08.

"

Sold James Carlton a barrel of Flour for \$7, and 2 pounds of Ning Yong Tea, at 45 cents a pound.

Bought of him, 2 cords of Oak Wood for the Store, at \$5 per cord.

11

The amount of Cash received for Sales to this date, is \$324.75.

"

Sold Henry Rand a tub of Butter, 60 pounds, — (tub  $8\frac{1}{2}$ ,)  $51\frac{1}{2}$  pounds net,—at 22 cents a pound; and 16  $\frac{1}{4}$  pounds Cheese, at 13 cents a pound.

# BOOKKEEPING.

*Sept. 13.*

Charles Smith has given me his Note for \$100, payable in 30 days, in part payment of his account.

Paid Cash for Desk, Chairs, Stove, &c., per bill, \$26.50.

Sold Dr. Geo. Hammond a barrel of Flour for \$7.25, and 10 gallons of Sperm Oil, at \$1.50 per gallon. He has presented his bill for "doctoring" my family for the past year, amounting to \$16.53, and has paid the balance of his account, \$12.85, in cash.

14

Paid Harlow & Co. \$100 on account.

Received of Samuel Carter the amount of his Note: principal \$350, with interest for three months, \$5.25.

Bought of R. B. Simpson & Co. a bill of Mdse. amounting to \$123.45, for which I gave my Note, payable 2 months from date.

15

James Carlton has given me an Order on Smith & Farnum for Mdse., to the amount of \$10; and they have delivered me the goods.

*Sept. 16.*

Sold Samuel Shipman a barrel of Flour, \$7.50; a quintal of Fish, \$1.25; 10 gallons Molasses, at 35 cents a gallon, and a pound of Black Tea, 45 cents.

Received of Orlando Palmer, on account, \$10.

17

Wm. Grimes brought an Order from Charles Smith, requesting me to sell goods to Grimes, to the amount of \$18.46, and to charge the same to his (Smith's) account; and I have delivered the Goods.

Paid my Note, No. 1, for \$175, with interest, 6 months and 15 days, \$5.69.

Sold Dr. Hammond a tub of Butter, 56 pounds net, at 21½ cents per pound.

18

Bought Mdse. of Harlow & Co., on account, amounting to \$167.19.

Received of Henry Rand, on account, \$17.

Paid Cash for a ton of Coal, for the Store, \$6.50.

The Cash Sales this week amount to \$207.38.

# B O O K K E E P I N G .

*Sept. 20.*

Sold James Carlton a barrel of N. O. Sugar, 208 pounds net, at  $5\frac{1}{2}$  cents a pound.

"

Lent A. B. Lunt \$500, taking his Note at 60 days, for same.

21

Received of Orlando Palmer \$7.25, on account.

22

Delivered to Stephen Williams, on Henry Rand's Order, goods amounting to \$12.

23

Charles Smith has paid me \$25, on account.

24

Samuel Shipman has sold me 6 barrels of Apples, at \$2.12 $\frac{1}{2}$  per barrel, and paid the balance of his account in Cash, \$2.95.

"

Paid Preston & Evans \$50, on account.

25

Paid a bill for Clothing, for myself, \$23.95.

"

Sold James Carlton a barrel of Molasses, containing 30 gallons, at 28 cents per gallon, and took his Note, on demand, for the balance of his account, \$38.73.

"

The Butter which I sold to Henry Rand on the 11th day of this month, not proving as good as I thought it was, I have made him a deduction of \$1.50.

*Sept. 27.*

C. F. Gerry's Note, No. 2, was paid in to-day, amounting to \$342.80.

"

Gave Harlow & Co. Charles Smith's Note, dated 13th of September, for \$100; and also my Note, payable 60 days from this date, for \$40.

"

The Cash Sales last week amounted to \$295.16.

28

Henry Rand has passed a Note to me, which he had previously received of Zenas Upham, for \$25.

29

Gave Preston & Evans my Note, on demand, for the balance due them, \$93.73.

30

Paid Harlow & Co. \$50 on account.

"

Paid my Clerk's salary for the month, \$30.

"

Cash Sales for this week, \$169.48.

"

Having taken an Inventory of the goods in the store, I find the amount to be \$2543.21. I have Notes against various persons, amounting to \$563.73. I owe Notes amounting to \$257.18.

SINGLE ENTRY.

SECOND SET.

---

DAY-BOOK.



70000000 Sept. 1861.

[illegible][illegible]

11/11/11

Commodore Sept. 1861

for the

Commodore

Sept. 1861

Com

Sept. 1861

Sept. 1861

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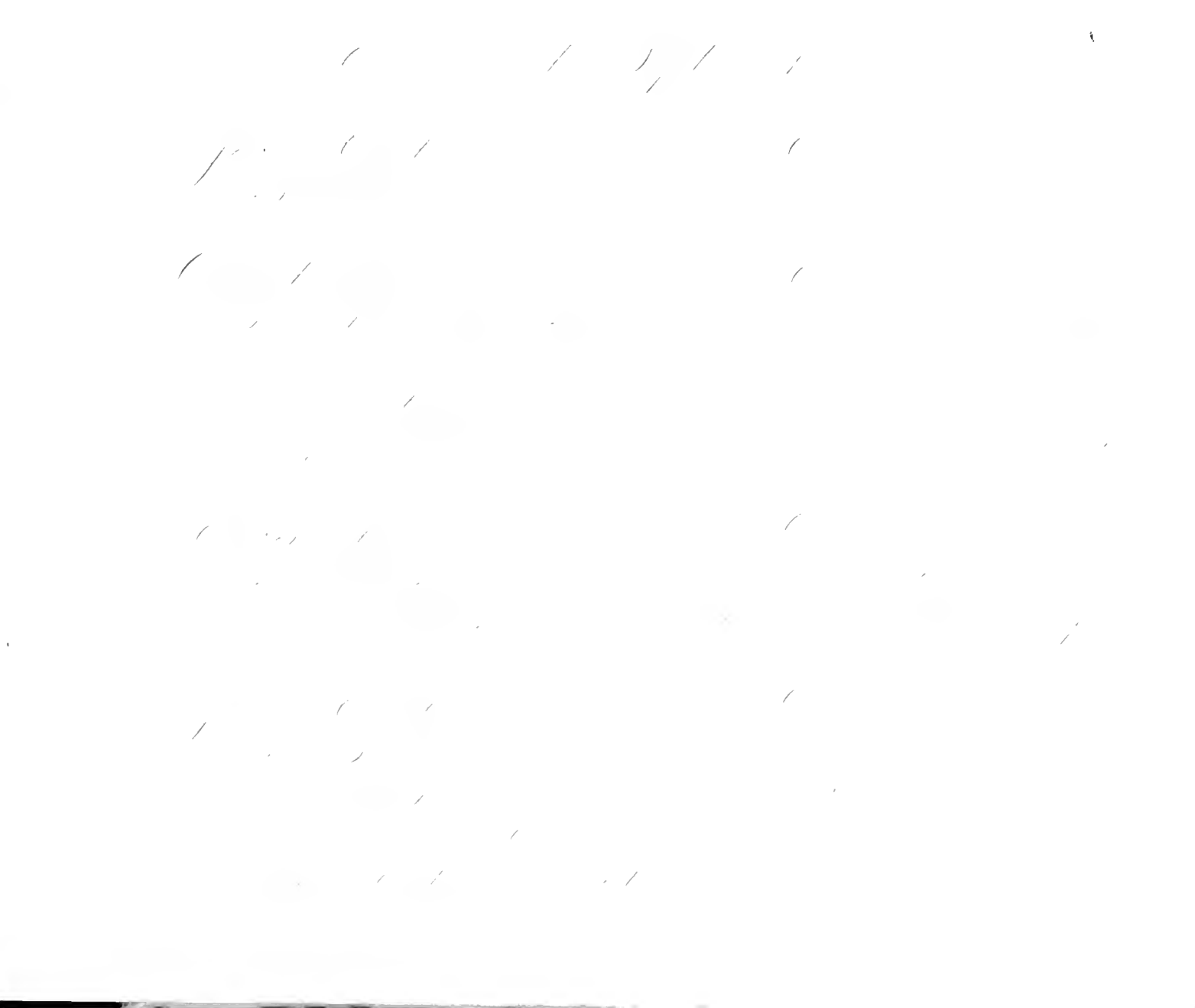
Sept. 1861

Sept. 1861

Commodore

Sept. 1861





1891

1892

1893

1894

1895

1896

1897

1898

1899

1900

1901

1902

1903

1904

Commodore, Sept. 1862.

For the Commodore,  
United States Navy,  
New York.

Dear Sir, please  
advise the Government of the

State of the  
Army.

Commodore,  
United States Navy,  
New York.

Dear Commodore,  
I have the honor

to acknowledge the receipt  
of your letter of the

Concord Sept. 15. 1831.

Dear Friend

Dear

My dear friend

I have been thinking of you

very much

and hope you are well

My dear friend

I have been thinking of you

very much

and hope you are well

My dear friend

I have been thinking of you

very much

Yours truly



(Proc. etc. Sept. 27, 1893.)

Sept. 10, 1891.

*[Handwritten signature]*

3

1900

... Chad ...

90/93

... / ...

*My dear friend*

Richardson, J. A. 1891

Oct. 1. 1891

10/11

..

.....

10











# BOOKKEEPING

## DIRECTIONS FOR POSTING AND CLOSING.

When the learner has written the Day-Book and Cash-Book, he may proceed to post, as in the first set. The Ledger should contain only the Personal Accounts, and therefore no entries will be posted but those in which some person is debtor or creditor.

Although this set represents the business of only one month, yet everything is done in the same manner when the books are closed only once a year.

In practice, the Personal Accounts are not closed till they are settled, unless the Ledger is full, and a new one is to be opened.

The Ledger is omitted here, that the learner may be obliged to rely more upon himself, and prove his own work.

## REVIEW.

From the statement on the first page of the Day-Book, it appears that I commenced business with resources of various kinds, amounting to \$3721, and that I owed, at the same time, \$291, making the Net Capital \$3430.

*My present Assets are:*

Merchandise,	per Invt.-Book,	\$2543.21	
Cash,	" Cash-Book,	756.00	
Notes, due me,	" Bill-Book,	563.73	
Henry Rand owes me,	" Ledger,	15.21	
O. Palmer,	" " "	10.44	
Dr. Hammond,	" " "	12.04	\$3900.63

*My present Liabilities are:*

I owe, on Notes, per Bill-Book,	\$257.18	
" " Charles Smith, per Ledger,	3.18	
" " Harlow & Co., " "	25.90	\$286.26
My present Net Capital, therefore, is		\$3611.37

*Net Capital brought up,* \$3611.37

From which subtract the original Net Capital, 3130.00

And the difference is the *Net Gain*, \$181.37

But I have spent in Cash, for my own use (see Cash-Book), \$31.03

And I have also paid Dr. Hammond's bill, for my family, in goods, per Day-Book, page 4, 16.53 47.56

Total Net Gain, \$231.93

The amount spent on my own personal account, \$47.56, should be counted among the gains; because, if it had not been spent, it would now be on hand, either in Cash, Goods, or something else.

This set of Books, together with the first, is an example of what might be called *pure Single Entry*, as the Ledger contains only Personal Accounts.

A Stock Account, to show the amount of capital invested, &c., would be convenient; but, as it properly belongs to Double Entry, it is not inserted. All the necessary facts can be obtained from the statement of the resources and liabilities on the first page of the Day-Book.

The *Net Capital* may be found, at any time, by subtracting the whole amount of the debts from the whole amount of the property, including what is due from others. But when the debts exceed the assets, the difference is called the *Net Insolvency*.

The *Net Gain*, or *Net Loss*, may always be found by comparing the Net Capital at the commencement with that at the close of the business.

QUESTIONS ON THE SECOND SET (SINGLE).

What kind of business is represented by this set?  
 What books are used?  
 Why do business-men keep a Cash-Book?  
 What is entered in it? Why?  
 What is put on the left-hand side?  
 What on the right-hand, or Cr. side?  
 What will the difference between the two sides show?  
 What must agree with this amount?  
 If it does not agree, what is the conclusion?  
 Please state the whole process of balancing the Cash-Book.  
 How often should the Cash-Book be balanced? Why?  
 What is said of the ruling and footing?  
 Can the amount paid out ever exceed that received?  
 Which will be the largest, if either, the amount received, or that which is paid out?  
 How often is the Cash-Book in this set balanced? Why?  
 What should be included in the "Balance on hand"?  
 For what is the Petty Cash-Book used?  
 How often is the amount transferred to the Cash-Book?  
 How often in this set? What is said of balancing?  
 How will you commence the study of this set?  
 How should the entries be made in the blank Day-Book?  
 What is said of the Cash items?  
 How should Cash *on account* be entered, and how marked?  
 What is said of the "History"?  
 Is such a book now generally kept?  
 What is the first record in the history?  
 What is the first transaction which is recorded? In which book should it be entered?  
 What is the second transaction, and how should it be recorded?

Please state how each of the records in the History should be entered in the Day or Cash Book?  
 What statements are made at the end of the Day-Book?  
 What is the first account in the Ledger? Why is this put first?  
 What entries are to be omitted in posting?  
 What length of time is covered by this set?  
 Would the books be opened and closed in the same manner if the time were longer?  
 How often are the personal accounts balanced by bookkeepers?  
 On what accounts are the balances in my favor?  
 On which are they against me?  
 Which accounts are settled in full?  
 Which has but one item on each side?  
 With what capital did I commence?  
 What is the value of the Mdse. remaining unsold?  
 How much cash is there on hand?  
 What is the amount of the notes due me? How much does Henry Rand owe me?—Orlando Palmer?—Dr. Hammond?  
 What is the whole amount of my assets?  
 How much do I owe?  
 Of what items do my debts consist?  
 What is my present net capital?  
 How much have I gained by the business?  
 How much have I spent for my own use?  
 Should that be counted as a part of the gain? Why?  
 What is said of the first two sets of Books?  
 Why is there no stock account in this set?  
 How may the net capital always be found?  
 How the gain or loss?

DOUBLE ENTRY.

FIRST SET.

## DIRECTIONS FOR WRITING THIS SET.

THIS set is intended to exhibit the principles of Double Entry, and especially to show its advantages over Single Entry, as applied to the same business. For this purpose we make use of the same Day-Book and Cash-Book, without any change whatever.

The learner will first study the explanations and rules as far as to the first Journal, so as to answer the questions, as he would in any other branch of study.

### FIRST FORM OF JOURNAL.

He will now turn back to the *History of the Business*, page 27, and journalize each transaction separately, as in the FIRST JOURNAL. The cash entries must also be entered in the Cash-book. This Journal will embrace all the transactions of the business, including those in the Cash-Book. But this kind of Journal is not recommended for the use of business men, because it requires too much writing. Its use here is to teach the beginner *what it is to be debited, and what credited*, in any given transaction. The posting may be omitted.

### SECOND FORM OF JOURNAL.

Having learned, by the first form of Journal, how to apply the rules for *debits and credits*, the student will next proceed to write the second form. This is made from the engraved Day-Book as follows:—The entries on the first page are journalized as in the first form. Then the first entry on the second page, and all others of the *same kind* on that and the third page, are taken together (see engraved Journal) and checked off. Then

take the second entry on the second page, and all like it on the two pages. Continue to do so (omitting the Cash items) till all the entries on these two pages are taken. Proceed in the same manner with the next two pages, and so on through the Day-Book. Finally, take the Cash-Book, one page at a time.

### THIRD JOURNAL.

This method requires too much turning of the leaves, in looking for the similar entries, when the books are kept as these are; but it is convenient where the sales, purchases, etc., are kept in separate books. It will be an interesting exercise for the learner, but he *need not post it*.

### POSTING FROM THE DAY-BOOK.

After having posted the Second Journal, and closed the Ledger, the learner will probably be able to post directly from the Day-Book of the second set, single entry. The opening entries are posted according to the directions on pages 63–65.

The other entries on the first page as well as those in the Cash-Book, may be posted separately. Then all the similar entries on the 2d and 3d pages are condensed into one by adding their amounts, on a slip of paper, and the whole amount of each is posted in one item to their several accounts in the Ledger. Proceed in the same manner with the 4th and 5th, and 6th and 7th pages. The Cash must be examined each day, and those entries which are not marked “D. B.” should be posted in their proper order, and marked as in the Day-Book.

## DOUBLE ENTRY.—FIRST SET.

THE peculiarity of Double Entry is, as has already been stated, that the amount of each entry *in the Day-Book* is posted to the Dr. side of one or more accounts in the Ledger, and also to the Cr. side of one or more others.

One advantage of this method is, that it enables the Bookkeeper to ascertain whether mistakes have been made or not: for if every sum which has been posted on the Dr. side of any account has also been entered on the Cr. side of some other account, it is evident that the whole amount of the debits for any given time, should be equal to the whole amount of the credits, for the same time. If these two amounts do not agree, we conclude that some mistake has been made, and perhaps many. The next step is, to find where the mistakes are, and then to correct them in the same manner as in Single Entry.

Another advantage of Double Entry is, that the state of one's affairs can be learned from the examination of a few of the most important accounts, without being obliged to go through the whole Ledger. For supposing all the debts to be "good," it is only necessary to examine the Profit & Loss account, with those other accounts that are to be closed into it, such as Merchandise, Expense, Interest, &c., and the Stock account, to ascertain the gain or loss, and consequently the *present worth* or net capital.

But when books are kept by Single Entry, as has been shown already, the bookkeeper is obliged to take the balances from all the *personal* accounts, of which there are sometimes several thousands, in order to find the net capital, and the gain or loss.

### ACCOUNTS.

In *Single Entry* Bookkeeping we have seen that accounts are kept with persons only; but in Double Entry, accounts are kept with things as well as with persons. Not only may every kind of property in our possession be represented by an account in the Ledger, but also the expenses, gains, losses, &c., in the various parts of our business.

The design and use of these accounts are more fully stated in the following:

### EXPLANATION OF ACCOUNTS.

PERSONAL ACCOUNTS are those which we keep with the different persons with whom we have dealings.

PROPERTY ACCOUNTS are those which relate to the various kinds of property we own. Cash and Bills Receivable are of this kind.

SPECULATING PROPERTY ACCOUNTS are those representing property which we buy and sell, intending to make a profit: Merchandise, Bank Stock, Railroad Stock, Houses, Land, Ships, &c., belong to this class.

REPRESENTATIVE ACCOUNTS are such as show the expense and income, gains or losses on particular branches of business. Among these are Expense, Interest, Discount, Commission, Guarantee, Insurance, &c. These are sometimes called FICTITIOUS ACCOUNTS.

#### STOCK AND PARTNERS' ACCOUNTS.

When one person is doing business alone, his account is generally called "Stock;" but when there are two or more persons composing a *firm*, an account is opened with each of the partners.

Each of the partners is credited for his property invested, and debited for such of his debts as are assumed by the firm. The difference between these two sums makes each one's net capital. The amount of property invested by all of them makes the capital of the firm.

#### MERCHANDISE ACCOUNT.

This account is kept to show the whole amount of merchandise bought and sold; and also whether there is a gain or loss on the merchandise itself, and if so, how much. It is charged or debited for the amount *on hand* at the commencement of business, and also for the cost of all that is bought afterwards; and is credited for the amount of the sales, from time to time; and when the account is to be closed it is also credited for the amount remaining *unsold*, estimated at its market value. Then the difference between the two sides of the account, if any, will be the gain or loss upon that account.

These remarks will apply to all other *speculating property accounts*.

#### BILLS RECEIVABLE.

This name is applied to Notes, Drafts, Bills of Exchange, Bonds, &c., on which we are to receive payment, and is *not applied* to "Bills of Goods," or Bills for services.

This account is debited for the Notes, &c., which we *receive* from others, and on which, also, we are to *receive* the payment, because they cost us whatever we give in exchange for them, just as we would debit a man for the money we have paid out for him. So, also, this account is credited for the sums we receive as payments on the Notes, &c.

As the account is debited when the Notes are received, and credited when they are paid, the amount of the credit side never can be the largest; but when all the Notes are paid, the two sides will, of course, be equal; and when they are not equal the *balance* is the amount remaining unpaid.

#### BILLS PAYABLE.

Bills Payable are those Notes, Drafts, Bonds, &c., which we owe, and which are therefore *payable by us* to others. This account is credited when we give a Note or other written obligation to pay, or *accept* a Draft or Bill of Exchange, thereby binding ourselves to pay, at a future



time; and it is debited for the amounts which we pay on these Notes, Drafts, &c.

When the Notes are all paid the account will *balance itself*; but the difference between the two sides of the account, if any, will be the amount which we still owe on the Notes, &c.

### C A S H .

A Cash account is sometimes kept in the Ledger; but as it is of the same nature as the Cash-Book, it does not seem to be necessary to repeat it.

A *monthly* Cash account, however, may be kept with little labor, by posting in one item the whole amount received during the month, and in another the whole amount paid out. When this account is included, the whole business is represented in the Ledger.

### B A N K   A C C O U N T .

This account is not generally kept in the Ledger, by those who do much business, as it requires too much writing; the money deposited in a bank being counted as cash *on hand*. But an account of the cash deposited from day to day, the notes collected by the Bank, &c., as well as the amounts drawn out on checks, should be kept in some form; and it is customary to keep it in the Check-Book, which will be more fully explained in another set. When, however, this account is put in the Ledger, it is similar to a cash account. The

balance, at any time, will be the amount in the Bank belonging to us.

### I N T E R E S T   A N D   D I S C O U N T .

These two accounts are classed together, because they are of the same nature,—Interest being a compensation for the use of money *after* it is due, and Discount a similar allowance for the use of money *before it is due*.

They are debited for the sums paid out, and for the allowances made *against ourselves*, either for interest or discount; and credited for the sums received, and for allowances of Interest or Discount in our favor.

If the amount of the Dr. side is largest, the difference is a loss; but if the excess is on the Cr. side, it is a gain; and the gain or loss is finally carried to the Profit & Loss account.

### E X P E N S E   A C C O U N T .

Under this, or a similar title, an account is kept of the expenses of the business, such as Rent, Fuel, Clerk-hire, Stationery, Postage, &c.

As there is seldom any income from these sources, there are not many credits on this account, and the whole amount of the Dr. side, being loss, will be carried to the Profit & Loss account, when the accounts are closed.

A separate account may be opened for either of the above branches of expense, to be kept and closed in the same manner as the above.

## I N S U R A N C E

Is sometimes put under the general head of expense, but a separate account is kept whenever it is of great amount.

## C O M M I S S I O N A N D G U A R A N T E E .

These accounts are debited for the sums paid out, and credited for those received from others, as compensation for buying or selling goods, or for other services. They are closed into the Profit and Loss account.

## B O O K S .

The books used in this set are the Waste-Book or Day-Book, Journal, Cash-Book, and Ledger.

## T H E W A S T E - B O O K O R D A Y - B O O K .

The "History" of the second set, Single Entry, is used again in this set, under the name of Waste-Book, or Day-Book. Such a book, with the Journal, was formerly considered an essential part of the Double Entry system, but it is now going out of use.

It contains a record of the business, stated in simple language, such as might be used by a person not acquainted with the forms of Bookkeeping. The debtors and creditors are not named, but all the important particulars,—such as the name of the person, date, quan-

tity, quality, price, terms of payment, &c., are stated. These records are afterwards written over again in

## T H E J O U R N A L .

The Journal is the book in which the several entries which have been made in the Day-Book are re-written in a more brief and regular order, preparatory to being posted into the Ledger.

Although the Journal is not absolutely necessary in business, yet it is quite important that the learner should study it, in order to know how to make the original entries in such a manner as to *be able to dispense with it*, and to post directly from the Day-Book, and other books in which the original entries have been made. The Journal is also useful as a means of condensing several entries into one, and thereby shortening the process of posting.

## J O U R N A L I Z I N G .

The process of transferring from the Day-Book into the Journal is called journalizing. It consists, mainly, in specifying the Drs. and Crs. connected with each transaction, with their amounts.

It is customary to mention the debtor first, followed by the creditor: thus, If A. owes B., then A. is Dr. and B. is Cr.; or, A. is Dr. *to* B.

As soon as an entry is transferred to the Journal, it should be marked, or checked on the book from which it is taken, to prevent its being taken again.

## RULES FOR JOURNALIZING.

## RULE 1.—FOR OPENING THE BOOKS.

*The several kinds of property on hand at the commencement, as well as the persons who owe me, are DEBITED to "Stock;" and Stock is debited to each of the persons and things that I owe.*

## RULE 2.—FOR PROPERTY.

*The thing received BY ME is debtor to the thing given.*

## RULE 3. FOR PERSONS AND PROPERTY.

*The receiver, or the thing received by me, is debtor; and the giver, or the thing given by me, is creditor.*

## RULE 4.—PROFITS AND LOSSES.

*The Profit & Loss account is debited for the losses, and credited for the gains of business.*

## ILLUSTRATIONS AND EXAMPLES.

## I.

If I commence business with Merchandise amounting to \$4530; Cash, \$500; Notes due me, \$625; then Mdse., Cash, and Bills Receivable, are debtors to Stock; and Stock is credited for the amount of the whole; and the Journal entry would be:

<i>Sundries Dr.</i>	<i>To Stock,</i>	
Mdse., . . . . .	\$4530	
Cash, . . . . .	500	
Bills Receivable, . . . . .	625	\$5655

If, at the same time, I owe on Notes, \$345; and to A. B., on account, \$321; and to C. D., \$76; then Stock is Dr., and Bills Payable, A. B. and C. D., are Crs., thus:

<i>Stock Dr.</i>	<i>To Sundries,</i>	
	Bills Payable, . . .	\$345
	A. B., . . . . .	321
	C. D., . . . . .	76
		\$742

## II.

If I buy Mdse. and pay Cash for it, Mdse. is Dr. and Cash is Cr.; or, Mdse. is Dr. to Cash.

If I buy Mdse., giving my note for it, Mdse. is Dr. to Bills Payable.

# BOOKKEEPING.

If I sell Mdse. for Cash, Cash is Dr. to Mdse. If I sell Mdse. to E. F., taking his note for it, "Bills Receivable" is Dr. to Mdse.

If I buy Mdse. amounting to \$300, and give in payment my note for \$200, and Cash \$100, Mdse. is Dr., and Cash and Bills Payable are Crs., thus :

<i>Mdse. Dr.</i>	<i>To Sundries,</i>		
<i>Bills Payable,</i>		\$200	
<i>Cash,</i>		100	\$300

If I sell Mdse. for \$500, and receive in payment a Note for \$300, and Cash \$200, Bills Receivable and Cash are Drs. to Mdse.

<i>Sundries Dr.</i>	<i>To Mdse.,</i>		
<i>Bills Rec.,</i>		\$300	
<i>Cash,</i>		200	\$500

## III.

When I sell Mdse. to A. B. on credit, A. B. is Dr. to Mdse.

When I buy Mdse. of C. D. on account, or credit, Mdse. is Dr. to C. D.

I buy Mdse. of E. F., amounting to \$200, for which I

pay, Cash *down*, \$100, and the other \$100 I am to pay in three months. Mdse. is Dr. and Cash is Cr. for the amount paid; and E. F. is Cr. for the \$100 which I still owe him.

## FIRST JOURNAL.

*Cincinnati, September 1, 1858.*

<i>Sundries Dr.</i>	<i>To Stock,</i>		
Cash,		\$250	67
Merchandise,		2560	00
Bills Receivable,		692	80
Charles Smith,		83	52
James Carlton,		60	49
Henry Rand,		48	20
Orlando Palmer,		25	32
			\$3721 00

<i>Stock Dr.</i>	<i>To Sundries,</i>		
" Bills Payable,		\$175	00
" Preston & Evans,		90	44
" Harlow & Co.,		25	56
			\$291 00

<i>Sept. 1.</i>			
Orlando Palmer,		7	25
<i>To Mdse.,</i>			7 25
Store expense,		19	37
<i>To Cash,</i>			19 37

# FIRST JOURNAL.

<i>Sept. 2.</i>			
James Carlton, . . . . .	20 50		
<i>To Mdse., . . . . .</i>		20 50	
— 3 —			
Mdse., . . . . .	123 15		
<i>To Harlow &amp; Co., . . . . .</i>		123 15	
— " —			
Store expenses, . . . . .	10 25		
<i>To Cash, . . . . .</i>		10 25	
— 4 —			
Cash, . . . . .	15 00		
<i>To Henry Rand, . . . . .</i>		15 00	
— " —			
Dr. George Hammond, . . . . .	7 13		
<i>To Mdse., . . . . .</i>		7 13	
— 6 —			
Mdse., . . . . .	203 29		
<i>To Preston &amp; Evans, . . . . .</i>		203 29	
— " —			
Preston & Evans, . . . . .	150 00		
<i>To Cash, . . . . .</i>		150 00	
— 8 —			
Mdse., . . . . .	145 20		
<i>To Cash, . . . . .</i>		145 20	

<i>Sept. 8.</i>			
Cash, . . . . .	20 00		
<i>To James Carlton, . . . . .</i>		20 00	
— " —			
Store expenses, . . . . .	5 63		
<i>To Orlando Palmer, . . . . .</i>		5 63	
— " —			
Orlando Palmer, . . . . .	75		
<i>To Mdse., . . . . .</i>		75	
— 9 —			
Charles Smith, . . . . .	19 84		
<i>To Mdse., . . . . .</i>		19 84	
— 10 —			
James Carlton, . . . . .	7 90		
<i>To Mdse., . . . . .</i>		7 90	
— " —			
Store expenses, . . . . .	10 00		
<i>To James Carlton, . . . . .</i>		10 00	
— " —			
Private account, . . . . .	7 08		
<i>To Cash, . . . . .</i>		7 08	
— 11 —			
Cash, . . . . .	324 75		
<i>To Mdse., . . . . .</i>		324 75	

# FIRST JOURNAL.

<i>Sept. 11.</i>			
Henry Rand, . . . . .	13 51		
To Mdse., . . . . .		13 51	
13			
Bills Receivable, . . . . .	100 00		
To Charles Smith, . . . . .		100 00	
14			
Dr. George Hammond, . . . . .	22 25		
To Mdse., . . . . .		22 25	
15			
Sundries To Dr. Geo. Hammond,			
Private account, . . . . .	16 53		
Cash, . . . . .	12 85	29 38	
16			
Store expenses, . . . . .	26 50		
To Cash, . . . . .		26 50	
17			
Harlow & Co., . . . . .	100 00		
To Cash, . . . . .		100 00	
18			
Cash, To Sundries,			
Bills Receivable, . . . . .	350 00		
Interest, . . . . .	5 25	355 25	
19			
Mdse., . . . . .	123 45		
To Bills Payable, . . . . .		123 45	

<i>Sept. 15.</i>			
Mdse., . . . . .	40 00		
To James Carlton, . . . . .		40 00	
16			
Samuel Shipman, . . . . .	15 70		
To Mdse., . . . . .		15 70	
17			
Cash, . . . . .	10 00		
To Orlando Palmer, . . . . .		10 00	
18			
Sundries To Cash,			
Bills Payable, . . . . .	175 00		
Interest, . . . . .	5 69	180 69	
19			
Charles Smith, . . . . .	18 46		
To Mdse., . . . . .		18 46	
20			
Dr. George Hammond, . . . . .	12 04		
To Mdse., . . . . .		12 04	
21			
Mdse., . . . . .	167 19		
To Harlow & Co., . . . . .		167 19	

NOTE. The remainder of this Journal is omitted to save space; but it is so simple that the student will find no difficulty in writing it.

~~77~~ This Journal need not be posted; but if all the entries of the same kind on a page are collected together and posted in one item, this form may be as good as any.



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1. The first part of the paper is devoted to a general discussion of the problem of the existence of a solution of the system of equations (1) for arbitrary values of the parameters  $\alpha$  and  $\beta$ . It is shown that the system has a solution for arbitrary values of the parameters  $\alpha$  and  $\beta$  if and only if the condition  $\alpha + \beta = 1$  is satisfied. In this case the solution is unique and is given by the formula

$$x = \frac{1}{\alpha + \beta} \left( \alpha x_1 + \beta x_2 \right)$$

where  $x_1$  and  $x_2$  are the solutions of the system of equations (1) for  $\alpha = 1$  and  $\beta = 0$  and for  $\alpha = 0$  and  $\beta = 1$  respectively. The second part of the paper is devoted to a detailed analysis of the properties of the solution of the system of equations (1) for arbitrary values of the parameters  $\alpha$  and  $\beta$ . It is shown that the solution is continuous with respect to the parameters  $\alpha$  and  $\beta$  and that it is differentiable with respect to the parameters  $\alpha$  and  $\beta$  if and only if the condition  $\alpha + \beta = 1$  is satisfied. In this case the derivatives of the solution with respect to the parameters  $\alpha$  and  $\beta$  are given by the formulas

$$\frac{\partial x}{\partial \alpha} = \frac{1}{\alpha + \beta} \left( x_1 - x_2 \right)$$
$$\frac{\partial x}{\partial \beta} = \frac{1}{\alpha + \beta} \left( x_2 - x_1 \right)$$

where  $x_1$  and  $x_2$  are the solutions of the system of equations (1) for  $\alpha = 1$  and  $\beta = 0$  and for  $\alpha = 0$  and  $\beta = 1$  respectively. The third part of the paper is devoted to a detailed analysis of the properties of the solution of the system of equations (1) for arbitrary values of the parameters  $\alpha$  and  $\beta$ . It is shown that the solution is continuous with respect to the parameters  $\alpha$  and  $\beta$  and that it is differentiable with respect to the parameters  $\alpha$  and  $\beta$  if and only if the condition  $\alpha + \beta = 1$  is satisfied. In this case the derivatives of the solution with respect to the parameters  $\alpha$  and  $\beta$  are given by the formulas

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where  $x_1$  and  $x_2$  are the solutions of the system of equations (1) for  $\alpha = 1$  and  $\beta = 0$  and for  $\alpha = 0$  and  $\beta = 1$  respectively.

2. The second part of the paper is devoted to a detailed analysis of the properties of the solution of the system of equations (1) for arbitrary values of the parameters  $\alpha$  and  $\beta$ . It is shown that the solution is continuous with respect to the parameters  $\alpha$  and  $\beta$  and that it is differentiable with respect to the parameters  $\alpha$  and  $\beta$  if and only if the condition  $\alpha + \beta = 1$  is satisfied. In this case the derivatives of the solution with respect to the parameters  $\alpha$  and  $\beta$  are given by the formulas

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$$\frac{\partial x}{\partial \beta} = \frac{1}{\alpha + \beta} \left( x_2 - x_1 \right)$$

where  $x_1$  and  $x_2$  are the solutions of the system of equations (1) for  $\alpha = 1$  and  $\beta = 0$  and for  $\alpha = 0$  and  $\beta = 1$  respectively. The third part of the paper is devoted to a detailed analysis of the properties of the solution of the system of equations (1) for arbitrary values of the parameters  $\alpha$  and  $\beta$ . It is shown that the solution is continuous with respect to the parameters  $\alpha$  and  $\beta$  and that it is differentiable with respect to the parameters  $\alpha$  and  $\beta$  if and only if the condition  $\alpha + \beta = 1$  is satisfied. In this case the derivatives of the solution with respect to the parameters  $\alpha$  and  $\beta$  are given by the formulas

$$\frac{\partial x}{\partial \alpha} = \frac{1}{\alpha + \beta} \left( x_1 - x_2 \right)$$
$$\frac{\partial x}{\partial \beta} = \frac{1}{\alpha + \beta} \left( x_2 - x_1 \right)$$

where  $x_1$  and  $x_2$  are the solutions of the system of equations (1) for  $\alpha = 1$  and  $\beta = 0$  and for  $\alpha = 0$  and  $\beta = 1$  respectively.

# THIRD JOURNAL.

## THIRD FORM OF JOURNAL.

Cincinnati, September 1, 1858.

<i>Sundries Dr.</i>	<i>To Stock.</i>		
Cash, . . . . .		\$250 67	
Mdse., . . . . .		2560 00	
Bills Receivable, . . . . .		692 80	
Charles Smith, . . . . .		85 52	
James Carlton, . . . . .		60 49	
Henry Rand, . . . . .		48 20	
Orlando Palmer, . . . . .		25 32	3721 00

<i>Stock Dr.</i>	<i>To Sundries.</i>		
" Bills Payable, . . . . .		175 00	
" Preston & Evans, . . . . .		90 44	
" Harlow & Co., . . . . .		25 56	291 00

— 30

<i>Sundries Dr.</i>	<i>To Mdse.</i>		
Orlando Palmer, . . . . . 1st	7 25		
" " . . . . . 5th	75	8 00	
James Carlton, . . . . . 2d	20 50		
" " . . . . . 10th	7 90		
" " . . . . . 20th	11 44		
" " . . . . . 25th	8 40	48 24	
Dr. George Hammond, . . . . . 4th	7 13		
" " " . . . . . 13th	22 25		
" " " . . . . . 17th	12 01	41 42	
Charles Smith, . . . . . 9th	19 84		
" " . . . . . 17th	18 46	38 30	
Henry Rand, . . . . . 11th	13 51		
" " . . . . . 22d	12 00	25 51	
Samuel Shipman, . . . . . 16th		15 70	
		177 17	

<i>Mdse. Dr.</i>	<i>To Sundries.</i>		
Harlow & Co., . . . . . 3d	123 45		
" " . . . . . 18th	167 19	290 34	
Prescott & Evans, . . . . . 6th		20 29	
Bills Payable, . . . . . 11th		123 45	
James Carlton, . . . . . 15th		40 00	
Samuel Shipman, . . . . . 24th		12 75	
"		669 83	

<i>Bills Receivable</i>	<i>To Sundries.</i>		
Charles Smith, . . . . . 13th	100 00		
James Carlton, . . . . . 25th	38 73		
Henry Rand, . . . . . 28th	25 00	163 73	

Priv. Act. <i>To Dr. Hammond,</i>	13th	16 53	
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Profit & Loss <i>To H. Rand,</i>	25th	1 50	
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Harlow & Co. <i>To Bills Rec.,</i>	27th	100 00	
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<i>Sundries</i>	<i>To Bills Pay.,</i>		
Harlow & Co., . . . . . 27th	40 00		
Preston & Evans, . . . . . 29th	93 73	133 73	

<i>Store Expenses</i>	<i>To Sundries</i>		
Orlando Palmer, . . . . . 8th	5 63		
James Carlton, . . . . . 10th	10 00	15 63	

# THIRD JOURNAL.

30				
Cash To <i>Sundries</i> ,				
Henry Rand, . . . .	4th, 18th	32	00	
James Carlton, . . . .	8th	20	00	
Mdse., . . . .	11th, 18th, 27th, 30th	996	77	
Dr. Geo. Hammond, . . . .	13th	12	85	
Bills Receivable, . . . .	14th, 27th	692	80	
Interest, . . . .	14th	5	25	
Orlando Palmer, . . . .	16th, 21st	17	25	
Charles Smith, . . . .	23d	25	00	
Samuel Shipman, . . . .	24th	2	95	1804 77

30				
<i>Sundries</i> To Cash,				
Store Expense, 1st, 3d, 13th, 18th, 30th		92	62	
Preston & Evans, . . . .	6th, 24th	200	00	
Merchandise, . . . .	8th	145	20	
Private Account, . . . .	10th, 25th	31	03	
Harlow & Co., . . . .	14th, 30th	150	00	
Bills Payable, . . . .	17th	175	00	
Interest, . . . .	17th	5	69	
Bills Receivable, . . . .	20th	500	00	1299 54

NOTE.—The intelligent student, who has studied these three different forms of Journal, will be able to decide which is best for his use. The first is intended to teach the student *how to apply the rules* for debits and credits, and thereby enable him to make the original entries correctly, and to post them without journalizing. In the second form, all the entries of the same kind, on two pages *facing each other*, are collected into one, thus saving space in the Ledger, and labor in posting. As these two particulars include all for which a Journal is really valuable, *in practice*, we give this form our decided preference. The third form, being laborious and more liable to error, we cannot recommend it, except when separate books are kept for Invoices, Sales, &c., and then no Journal is needed; for the posting from the original entries is as simple as it can be made by any process of journalizing, and is less laborious. But in posting from the original books, several similar entries may be classed together, as directed on the 48th page.

## P O S T I N G .

The Posting by double entry requires more writing than by single entry; but not so much more as is generally supposed.

The amount of each entry must be posted on the Dr. side of one or more accounts, and also on the Cr. side of one or more others; but it is not necessary that these amounts should be posted separately.

All the items of the same kind upon one page, or for a week, month, or quarter, may be added together, and entered on the Ledger in one amount. This shortening process is shown in the second and third journals; and if the learner should post from the second form, the amounts in his Ledger would agree with those in the text-book.

## D I R E C T I O N S .

The rules for journalizing are equally applicable to the posting.

The first entry in the Day-Book or Journal is posted according to the first rule, by debiting each of the accounts representing the different kinds of property, as well as the persons who owe *you*, to "Stock," *that is*, to yourself; and you may use your own name instead of Stock, if you choose.

<i>Sundries Dr.</i>	<i>To Stock.</i>			
Cash, . . . . .		\$ 250	67	
Merchandise, . . . . .		2560	00	
Bills Receivable, . . . . .		962	80	
Charles Smith, . . . . .		83	52	
James Carlton, . . . . .		60	49	
Henry Rand, . . . . .		48	20	
Orlando Palmer, . . . . .		25	32	\$3721 00

To post the first item of this entry, turn to the Cash account, and on the Dr. side of it enter the date, and also the words "To Stock," the page of the Day-Book or Journal from which you are posting, and the amount, and then place the *post-mark* opposite to "Cash."

In the same manner debit the Merchandise account for the amount of the Merchandise, and put the post-mark opposite to "Mdse." So proceed with each of the other debtors in this entry.

Then credit the Stock account "By Sundries," for the whole amount of the several debits, and place the post-mark in the Journal opposite to the word Stock. This completes the posting of the first entry.

<i>Stock Dr.</i>	<i>To Sundries.</i>			
	" Bills Payable, . . .	\$175	00	
	" Preston & Evans, .	90	44	
	" Harlow & Co., . .	25	56	\$291 00

This entry is posted as follows: Debit the Stock account "To Sundries," for the whole amount of the debits, placing the post-mark opposite to "Stock," and also credit the "Sundries" (Bills Payable, Preston &

Evans, and Harlow & Co.) "By Stock," each for its own amount, and post-mark them as usual.

It makes no difference whether the debits are entered first, or the credits; but, as we come to the debits first, in reading from the Journal, it seems more natural to post them first.

The whole of the posting thus far will appear more plain as shown below. We insert these forms here, because the entries are more difficult in themselves, and because, being the first ones in double entry, beginners might be puzzled by them.

<i>Dr.</i>		<i>Stock.</i>		<i>Cr.</i>
1858			1858	
Sept. 1	To Sundries . . . 1	\$291 00	Sept. 1	By Sundries . . . 1 \$3721 00

		<i>Cash.</i>	
1858			
Sept. 1	To Stock . . . 1	\$250 67	

		<i>Merchandise.</i>	
1858			
Sept. 1	To Stock . . . 1	\$2560 00	

		<i>Bills Receivable.</i>	
1858			
Sept. 1	To Stock . . . 1	\$692 80	

CHARLES SMITH.

1858			
Sept. 1	To Stock . . . 1	\$83 52	

JAMES CARLTON.

1858			
Sept. 1	To Stock . . . 1	\$60 45	

HENRY RAND.

1858			
Sept. 1	To Stock . . . 1	\$48 20	

ORLANDO PALMER.

1858			
Sept. 1	To Stock . . . 1	\$25 32	

*Bills Payable.*

		1858	
	Sept. 1	By Stock . . . 1	\$175 00

PRESTON & EVANS.

		1858	
	Sept. 1	By Stock . . . 1	\$90 44

HARLOW & Co.

		1858	
	Sept. 1	By Stock . . . 1	\$25 56

The words "To and By" are used in the Day-Book and Journal to express the relation between the debtor and the creditor; but they are not important in the Ledger, and are, therefore, omitted by many bookkeepers.

The word "*Sundries*" stands for two or more persons or things of different kinds, as has already been shown in the examples in journalizing. In posting, this word is used as a shorter form, instead of mentioning each of the persons or things that are included under it.

The following is a very simple rule for posting:—*Debit each of the Drs. to whatever stands on the credit side of the Journal entry, whether one or more, and credit each of the Crs. by whatever stands on the Dr. side.*

The next entry is more simple, and is posted by debiting Orlando Palmer "To Mdse.," and crediting the Mdse. account "By O. Palmer." Thus the Dr. is debited to the Cr., and the Cr. is credited by the Dr.

The Day-Book entries on the 6th, 8th, 10th, 13th, and 25th, are each to be regarded as two entries, written in that form to avoid repeating the name.

To post one of these entries requires four entries in the Ledger. For that of the 6th, Preston & Evans are credited by Mdse., and Mdse. debited to Preston & Evans. Preston & Evans are also debited to Cash, and Cash is credited by Preston & Evans.

In order to save space in the Ledger, several similar entries are condensed into one in the Journal, the

*date of the last item* being entered in the Ledger, and those who post from the Day-Book may proceed in the same manner.

All the sales of Mdse. on the third and fourth pages are journalized, and posted in one item; and all the purchases of Mdse. on the same pages are also journalized, and posted in one entry. The same is done on the fifth and sixth, and the seventh and eighth pages.

The rest of the posting will probably give the student little or no trouble; but he must be careful, or he will make many mistakes which will spoil his Ledger, and discourage himself.

#### CHECKING.

When the posting is all done, the next step is to compare the postings with the Journal or the Day-Book. If the entries in the Ledger are found to correspond with those in the other book, they are checked with a pencil in both books. When the whole has been examined, if any entries are not checked, or if any are checked twice, it proves that some mistake has been made, which must be corrected before proceeding further.

The Bookkeeper generally employs another person to read, aloud, the entries in the Ledger, and check them, while he himself examines and checks the Day-Book.

But after all this has been done, errors will sometimes escape the notice of both.

## BOOK KEEPING.

### ADDING.

The next step is to add each side of every account in the Ledger which contains more than one item, writing the amounts with a pencil at the left hand of the money column.

Now, as every sum in the Journal has been posted to the Dr. side of one or more accounts, and also to the Cr. side of one or more others, it is evident that the sum of all the debits in the Ledger should be equal to the sum of all the credits; and if these two sums do not agree, there must be some error in the posting.

### THE TRIAL BALANCE.

Write the titles or names of all the accounts in the Ledger, in a column, and place opposite to each the amount of each side, in two separate money columns, the debits in the left, and the credits in the right; and in the narrow left-hand column, the page of the Ledger. Finally, add those two columns, and if the two amounts are equal, the posting is supposed to be correct. (*See engraved form at the end of the Ledger, page 84.*)

But this proof is not perfectly certain; for if a sum has been posted to the wrong account, it will make no difference with the Trial Balance, provided it is put on the proper side of the account.

Nor will the Trial Balance be of any service in correcting the errors that may have been made in the original entries: but the Bookkeeper will need to use

the same care, in this respect, as if he were keeping his books by Single Entry.

If the two sides of any account are equal, that account should be closed at once, and may be omitted in the Trial Balance, as it will not affect the result.

The Trial Balance may also be made with the differences of the several accounts, instead of their amounts: and this will be found more convenient in practice;—for the same differences or balances that are put into the Trial Balances may also be used in closing most of the accounts.

An examination of the Trial Balance will also show, at once, the amounts due on the several accounts.

The Trial Balance is taken about once a month, whether the books are closed or not; so that if any mistakes have been made, they may be corrected without delay.

### INVENTORY.

Whenever the books are to be closed, in order to find how much has been gained or lost, and also the present state of one's affairs, it will be necessary to take an Inventory of the Merchandise, and other *speculating* property, remaining unsold. This is generally done at the end of the year or oftener, and the operation is called "Taking an Account of Stock." The Inventory should contain all the items of the property, ascertained by counting, weighing, measuring, &c.: and the prices should be estimated according to the *market*



*value.* When there are many small items of goods, it is customary to estimate them at cost, as shown by the Bills or Invoices; but where the items are large, and the price is much greater or less than the first cost, this method is not sufficiently accurate.

In this set, the items of the inventory are omitted, the whole amount only being stated.

The book in which this inventory is written is called the

### INVENTORY BOOK.

1838	
Sept. 30	Merchandise now on hand . . . . . \$2543 21

### PREPARATIONS FOR CLOSING THE LEDGER.

The amount of the Merchandise *now on hand*, as found in the Inventory-Book, must be entered on the credit side of the Merchandise account, with the date of the closing, and the description, "By Balance (Invt.)." This, like other closing entries, should be written with red ink, when it is convenient. After the account is closed and ruled, this *balance* will be *brought down*, if the account is to be continued on the same page; and will also be carried to the *Dr. side* of the Balance account, as part of the assets.

If there are any other kinds of property remaining

unsold, the amount of each will be entered on the credit side of its own account, in the same manner as the Merchandise above.

In this set there is no other kind of speculating property remaining unsold; so that the learner is now ready for

### CLOSING THE LEDGER.

Omit the Stock and the Profit & Loss accounts, and proceed to close the next in order, which, in this set, is the Merchandise account.

Find the difference between the two sides, as the account now stands, including the Balance, per Inventory. Now, as the *Dr. side* shows how much the Merchandise cost me, and the *Cr. side* how much it has produced, directly and indirectly, the difference between these two amounts must be the sum gained or lost. If the *Cr. side* is largest, there is a gain; but if the *Dr. side* is largest, the difference is a loss.

Illustration:—If I buy three barrels of Flour at \$5 a barrel, the amount of the *Dr. side* of the account would be \$15; and if I sell two of them for \$6 a barrel, the amount of the *Cr. side* would be \$12. Now, it is plain that it would not be correct to say that I have lost the difference, \$3, because I have paid \$15, and received only \$12; for the other barrel of Flour, which I have on hand, ought to be worth what it cost me; and if this \$5 is added to the amount received for the two barrels sold, the whole amount of the *Cr. side* will be \$17. Subtracting \$15, the amount of the *Dr. side*, or

# BOOKKEEPING.

the cost, from this sum, and the difference is \$2, which must be the gain. Again, as I gave \$5 per barrel, and sold it for \$6, I have gained \$1 on each barrel; and on two barrels, the gain must be \$2, as above.

<i>Dr.</i>		<i>Flour Account.</i>	<i>Cr.</i>		
1858			1858		
Sept. 12	To Cash . . .	\$15	Sept. 20	By Cash . . .	\$12
“ 30	“ Profit & Loss	2	“ 30	“ Balance Invt.	5
		<u>\$17</u>			<u>\$17</u>
Oct. 1	To Balance . .	\$5			

Suppose two barrels of the above Flour have been sold at \$4.75, and one barrel remains unsold, which is worth what it cost, then the whole account will show a loss of 50 cents, and be closed as follows:

<i>Dr.</i>		<i>Flour Account.</i>	<i>Cr.</i>		
1858			1858		
Sept. 12	To Cash . . .	\$15	Sept. 20	By Cash . . .	\$9 50
			" 30	" Balance Inv't.	5 00
			" "	" Profit & Loss	50
		<u>\$15</u>			<u>\$15 00</u>
Oct. 1	To Balance . .	\$5			

When the property has all been sold, there is, of course, no "Balance Inv't." to be entered; but the account will be closed, in other respects, as in the first case.

The *balance of the account* will be the gain, or loss, according as the Cr. or Dr. side of the account is the largest. Suppose the Flour, mentioned above, had all been sold at \$6 per barrel, then the account would have appeared as follows, showing a gain of \$3:

<i>Dr.</i>		<i>Flour Account.</i>	<i>Cr.</i>		
1858			1858		
Sept. 12	To Cash . . .	\$15 00	Sept. 21	By Cash . . .	\$12 00
" 30	" Profit & Loss	3 00	" 25	" " . . .	6 00
		<u>\$18 00</u>			<u>\$18 00</u>

Again, if the Flour had all been sold at \$4.75 per barrel (less than cost), there would have been a loss of .75, and the account would have been closed in the following manner:

<i>Dr.</i>		<i>Flour Account.</i>	<i>Cr.</i>		
1858			1858		
Sept. 12	To Cash . . .	£15 00	Sept. 20	By Cash . . .	£14 25
			" 30	" Profit & Loss .	75
		<u>£15 00</u>			<u>£15 00</u>

Proceed in the same manner with all Speculating Property accounts, such as Bank Stock, Railroad and all other Stocks, Ships, Houses, Land, &c. &c.

The Representative accounts, *Interest* and *Store Expenses*, as they represent losses and gains, are closed into

the Profit & Loss account. So all others which from their nature show a gain or a loss.

The Private account is closed into the Stock account, because it belongs to the same person, that is, the owner of the business. Some prefer to post the private expenses directly to the Stock account, and keep no private account; but when it is kept, it should be closed as above, and not into the "Profit & Loss," because it is not a part of the losses of the business.

The Bills Receivable account, like other property accounts (not speculating), is closed into the Balance account, when a Balance account is opened; but in all cases the closing entry will be "By Balance," for the amount of unpaid Notes on hand at the time.

The Bills Payable account, from its nature, will have the largest amount on the Cr. side, so long as any of these Notes, &c., remain unpaid. It is closed "To Balance."

The Personal accounts will all be closed into the Balance Account: that is, "To Balance," or "By Balance."

The Cash account, like the Cash-Book, is always closed "By Balance," if there is any money on hand; and if it is all right, the balance of the account is the same as the amount on hand.

If those accounts, which show gains or losses, have been closed into the Profit & Loss account,—and if those which show only *balances*, either in my favor or against me, have been closed into the Balance account,—and if the corresponding entries have been

made on the Profit & Loss and Balance accounts,—the learner is now ready to close the Profit & Loss into the Stock account, and then to take a

## SECOND TRIAL BALANCE.

The first Trial Balance was intended to prove the correctness of the posting, and this is to show whether any mistakes have been made in the balancing or closing operations. It consists of the balances on the Stock and Balance accounts, the only ones which have not yet been closed.

The Stock account shows the *net capital* with which the business was commenced, and also the *net gains* which have been added to it since; and the sum of these must be the *present net capital*.

The Balance account exhibits the whole of the present assets on the Dr. side, and all the liabilities on the Cr. side; and the balance of this account must also be the present net capital.

Now, as the balances of these two accounts both show the present net capital, and as there cannot be two different net capitals at the same time, it follows that these balances should be alike, as appears below:

STOCK ACCOUNT.		BALANCE ACCOUNT.	
<i>Cr.</i> , . . . . .	\$3952.93	<i>Dr.</i> , . . . . .	3900.63
<i>Dr.</i> , . . . . .	338.56	<i>Cr.</i> , . . . . .	286.26
Balance, . .	\$3614.37	Balance, . .	\$3614.37

If these two balances agree, the learner may now pro-

ceed to close the Balance account into the Stock account, and, finally, to close the Stock account as he would any other personal account; and the balance will be the net capital, or the net insolvency, as the case may be.

### R E V I E W .

The Stock account [Ledger, page 1] shows that the whole amount invested on the 1st of September was \$3721, and that I owed at the same time \$291. The net capital therefore was . . . . . \$3430.00

From the Profit & Loss account I find

that I have gained on the Mdse., . .	\$342.12
And lost on sundry accounts, . . .	110.19

Net Gains of the business, . . .	\$231.93
----------------------------------	----------

From which subtract the amount

spent on private account, . . .	47.56
---------------------------------	-------

Increase of property, . . . . .	184.37	\$184.37
---------------------------------	--------	----------

Present Net Capital, . . . . .	\$3614.37
--------------------------------	-----------

As this sum agrees with the balance of the Stock account, which is also intended to represent the net capital, we conclude that it is right.

### S E C O N D P R O O F .

Another proof may be found in the Balance account, on which the assets are \$3900.63, and the debts \$286.26. The difference, which must be the net capital, is again \$3614.37.

### T H I R D P R O O F .

The present net capital, as shown both by the Stock account and the Balance account, is \$3614.37

From which subtract the net capital

at commencement, . . . . .	3430.00
----------------------------	---------

Increase of property, . . . . .	\$184.37
---------------------------------	----------

To which add the amount spent on

Private account, . . . . .	47.56
----------------------------	-------

Net gain in the business, . . .	\$231.93
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DOUBLE ENTRY.

FIRST SET.

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LEDGER.

# BOOKKEEPING.

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*John*

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QUESTIONS ON THE FIRST SET, DOUBLE ENTRY.

What is the peculiarity of Double Entry?  
 What is one advantage of this method?  
 How can errors be detected? How corrected?  
 What is another advantage?  
 What accounts are kept in Double Entry?  
 What are Personal accounts?  
 What are Property accounts?  
 What are Speculating Property accounts?  
 What are Representative accounts?  
 Give examples of each.  
 What is the Stock account?  
 Is it generally kept in partnerships?  
 For what is each partner debited and credited?  
 What is the difference called?  
 For what is the Merchandise account kept?  
 For what is it debited? Credited?  
 What will the difference be?  
 What is said of other Speculating Property accounts?  
 What is meant by "Bills Receivable"?  
 For what is this account debited?  
 For what credited?  
 Which side of this account will be the largest, if either?  
 What will the balance be?  
 What are "Bills Payable"?  
 When is this account credited?  
 For what is it debited?  
 What must the balance be?  
 Why is not the Cash account kept in the Ledger?  
 What is said of a Monthly Cash account?  
 What is said of the Bank account?  
 In what book is this account kept?  
 Why are Interest and Discount classed together?  
 For what are they debited?

For what credited? How closed?  
 How may we know whether there is a gain or a loss on these accounts?  
 For what is the Expense account kept?  
 Is there generally any gain on this account?  
 What is said of Insurance, Commission, and Guaranty?  
 What books are used in this set?  
 What is said of the Waste-Book?  
 What does it contain? What particulars are stated?  
 What is the Journal?  
 In what does journalizing consist?  
 Which is written first, the Dr. or Cr.?  
 Is the Journal absolutely necessary?  
 Why should journalizing be understood?  
 For what is it useful?  
 Repeat the four rules for journalizing.  
 Give illustrations under each.  
 The teacher may read the examples, and require the pupils to give the Journal entries.  
 Why are the Journals introduced into this book?  
 How are the entries made in the first Journal?  
 What caution is given here?  
 How does the second Journal differ from the first?  
 What is said of this method?  
 What of the third Journal? For what is it best adapted?  
 From which of the Journals is the learner advised to post?  
 What is said of posting by Double Entry?  
 How may the process of posting be shortened?  
 How is the first entry in the Journal posted? The second?  
 Which should be posted first, the debits or the credits?  
 What is said of the words "To" and "By"? "Sundries"?  
 Give the rule for posting.  
 What method is adopted to save labor and space?  
 When the posting is done, what is the next step?

What should be done after "checking up the books"?  
 What is the Trial Balance? How is it made?  
 Is it a certain proof of the correctness of the Ledger? Why not?  
 What is said of errors in the original entries?  
 What accounts may be omitted in the Trial Balance?  
 What other purpose does the Trial Balance serve?  
 How often should it be taken?  
 When should an Inventory be taken?  
 What should it contain? How ascertained?  
 What is said of the prices?  
 Are the items of the Inventory given in this set?  
 What is the first thing preparatory to closing the Ledger?  
 What is afterwards done with this balance?  
 Are all kinds of speculating property treated in the same manner?  
 How shall I proceed to close the Ledger?  
 How may I decide whether any account shows a gain or a loss?  
 Give an illustration.  
 How is the first Flour account closed?  
 The second? Third? Fourth?  
 How are the Interest and Expense accounts closed? Why?  
 The Private Account? Why not into Profit & Loss?  
 In what other way may this account be kept?  
 How is the Bills Receivable account closed?  
 The Bills Payable account?  
 The Personal accounts?  
 The Cash account?

When all these accounts have been closed, what is next to be done?  
 What is the use of the first Trial Balance?  
 What of the second?  
 Of what does it consist?  
 What does the Stock account show? The Balance account?  
 Can there be more than one net capital at the same time?  
 What, then, is the conclusion?  
 What is the final closure?  
 What was my net capital on the first of September?  
 What is the value of the Mdse. on hand at closing?  
 How much has been gained on this account?  
 How much lost on Interest and Store Expenses?  
 How much have I spent on Private account?  
 What is the amount due me on Notes?  
 How much do I owe on Notes?  
 On which Personal accounts are balances due me?  
 What is the whole amount due me on these accounts?  
 How much do I owe on accounts?  
 What was the net capital on the first of September?  
 What have been the net gains of the business?  
 Why subtract the amount spent on Private account?  
 How much more am I worth now than when I began?  
 What is my present net capital?  
 In what other way can it be proved?  
 In the Third Proof, how much is the gain?  
 With what does this agree?

SECOND SET. — DOUBLE ENTRY.

The following History or record of transactions is given to assist the learner in applying the principles which he has been studying in the preceding pages. The various papers, Notes, Receipts, &c., should be written in the proper form, signed, endorsed, folded and filed, as they would be if the transactions were real, instead of imaginary. A regular set of books may be written out, based on this history.

*New York, October 1, 1858.*

I commence business this day with the following assets, viz.:

Cash, \$500; Merchandise, per Inventory, \$4875; a Note for \$500, signed by William Everett, dated 9th May, 1858, payable in three months; another for \$450, signed by John M. Williams, dated 23d Aug., 1858, payable @ 90 days, *without grace*; another for \$200, signed by E. F. Young, endorsed by William Rogers, dated January 1, 1856, on demand, and interest; another for \$88.23, signed by J. C. French, dated January 25, 1858, @ 60 days; and another for \$61.77, signed by H. A. Cook, and dated July 1, 1858, @ 6 months.

Charles Sumner owes me, on account, \$125.83; James Connor, \$92.45; Henry Rolland, \$62; Oliver Parsons, \$43.95; Isaac Hartwell, \$35.

I owe on Notes as follows: One to S. L. Draper, for \$300, dated April 1, 1857, payable in 6 months; another to W. H. Mills, for \$165.75, dated July 23, 1858, on 3 months; and another to R. E. Patterson, for \$135, @ 60 days, dated Sept. 13, 1858.

I also owe Porter & Emmons, on account, \$249; Howland & Co., \$162; and J. & S. Rich, \$85.42.

1

Sold James Connor, on account, 1 bbl. Flour, \$3.75; 50 lbs. white Sugar, @ 10½ cts.; 15 gallons Sperm Oil, @ \$1.37½; and 1 quintal of Fish, \$3.75.

2

Bought of Crosby, Nichols & Co., Account - Books and Stationery, amounting, per bill, to \$26.

(See Explanation, page 93.)

"

Bought of Howland & Co., for Cash, 2 Hhds. N. O. Molasses, 231 gallons, @ 30 cts.

(Bill.)

4

Paid J. & S. Rich Cash in full of their account.

(Take a Receipt.)

5

Received of Henry Rolland, on account, \$40.

(Give a Receipt.)

6

Bought of Porter & Emmons, on my Note @ 4 mos., a bill of Mdse. amounting to \$327.33.

(Write and sign a Note in such a form that they may get it discounted at a Bank.)

7

Sold Geo. Harper, for Cash, a bbl. of Flour, \$6.87½; 50 lbs. crushed Sugar, @ 10¾ cts.; a bbl. of brown Havana Sugar, 239 lbs. (19 out), @ 7½ cts.

8

Bartered with James Connor as follows:

Received of him 8 cords hard Wood, @ \$6, and 25 bushels Potatoes, @ 75 cts.; all for my house. Gave in exchange 2 bbls. Flour, @ \$7; and a chest of Tea, 10 lbs. net, @ 42 cts. The balance on account.

9

Bought of Warren Lewis, for Cash, 4 boxes Havana Sugar, gross weights 575, 567, 583, 561 (tare 15 per cent.), @ 6½ cts.

(Bill.)

"

The Retail Sales, for Cash, to this date, \$321.12.

11

Sold Oliver Parsons, on account, 10 lbs. ground Coffee, @ 15 cts.; 25 lbs. Havana Sugar, @ 8 cts.; 10 lbs. refined Sugar, @ 11 cts.

12

Sent to my own house goods amounting to \$54.

13

Paid my Note to S. L. Draper, dated April 1, 1857, with 7 per cent. interest.

14

Received of Oliver Parsons \$20, in part payment of his account.

15

Paid Howland & Co. \$100, on account.

16

J. C. French paid his Note to-day (interest @ 7 per cent.)

"

Retail Cash Sales for the week, \$197.02.

18

Bought of J. & S. Rich 20 bbls. Flour, @ \$6.37½; 48 *eighth* bags of Flour, @ 80 cts.

Paid one half Cash, and the balance by a Note, @ 30 days, with interest added.

(Write a Note for such a sum as will include the balance of the bill, with interest on the same for 33 days.)

19

Received of Charles Sumner a Note for \$100, signed by A. B. Cushman, due Jan. 8—11, 1859, for which I allow him the present value: discount @ 7 per cent.

(Write the Note, with Cushman's signature, and Sumner's endorsement.)

20

William Everett has paid his Note,—interest @ 7 per cent.

21

Sold Isaac Hartwell 2 bbls. Flour, @ \$6.75 and \$7.25; a quintal of Fish, \$4.25; and 20 gals. Molasses, @ 35 cts. Took his Note, @ 2 months, to balance his account.

(Write a Note like the "Form for Mass" for the whole amount he now owes me.)

22

Settled with James Connor; balance of the account paid in Cash.

23

I have effected insurance on the goods in the store to the amount of \$3000, @  $\frac{5}{8}$  per cent. Policy, \$1.25, for which paid Cash.

"

Paid, in Cash, the balance of my account with Porter & Emmons.

"

Retail sales for the week, \$218.34.

25

Paid Howland & Co. \$25, on account.

26

Paid my Note to W. H. Mills, due to-day.

"

Bought of George Harper 10 bbls. Apples, @ \$2.75, and paid Cash.

"

Howland & Co have allowed me \$3.60 for damage on goods bought of them.

27

Received of Oliver Parsons \$15, on account.  
Sold him a bbl. Flour, \$6.88.

27

Bought of Howland & Co., at Cash price, a bill of goods, amounting to \$78.29, for which gave my Note, @ 60 days, with bank discount.

(Make a Note in the proper form, and for such an amount that, if discounted by a Bank to-day, the proceeds will be just equal to the above bill).

28

John M. Williams paid his Note to-day; discount @ 7 per cent.

29

Paid my Note to R. E. Patterson; discount at the rate of 10 per cent. per annum.

"

Exchanged Notes with E. S. Stearns, for his accommodation, each drawn for \$200, @ 30 days.

"

H. A. Cook has paid his Note, dated July 1, 1858. Allowed him 8 per cent. discount.

30

Paid an order drawn by Crosby, Nichols & Co., in favor of Francis Gardner, for goods to the amount of \$26.

"

Paid my Clerk \$40, in full, for his month's wages.

"

Retail Cash Sales for the week, \$170.19.

"

Paid for Painting in the Store, \$15.

# BOOKKEEPING.

November 1, 1858.

Sold Charles Summer, on account, 1 bbl. Extra Flour, \$7.25; 1 Chest Black Tea, 26 lbs., @ 40 cts.; 1 Cheese, 28½ lbs., @ 10 cts.; 1 Tub of Butter, 46½ lbs., @ 21 cts.; 100 lbs. Cr. Sugar, @ 11 cts.

2

Sold Henry Rolland, on Jas. Comor's Order, 50 lbs. B. H. Sugar, @ 8 cts.; 25 lbs. White Sugar, @ 11 cts.; 20 lbs. Salt Fish, @ 6 cts.

"

Rec'd of Oliver Parsons \$10. on account.

3

Sold H. C. Fisk, on account, 1 bbl. Extra Flour, \$7.12; 16 gals. N. O. Molasses, @ 48 cts.; 6 lbs. Y. H. Tea, @ 75 cts.

"

Paid for Wood and Coal for Store, per bill, \$30.50.

4

Paid the balance of my account with Howland & Co.

5

Bought of Brown & Carroll, at Cash price, 2 bbls. N. O. Molasses, 240 gals., @ 38 cts.; 1 bbl. Trinidad Molasses, 108 gals., @ 23 cts.; 4 Casks Raisins, @ \$4.83; 1 Tierce Rice, 609 lbs., @ 4 cts.; 1 bbl. Cloves, 112 lbs., @ 30 cts.; 1 bbl. Sago, 188 lbs., @ 5 cts.; 4 bbls. Muscovado Sugar, 1140 lbs., @ 6½ cts.; 6 Bags Rio Coffee, 740 lbs., @ 9 cts.

For one half of the above Bill, paid Cash; for the other half, gave my Note @ 30 days, with interest added, to make it as good as Cash.

6

Sold Samuel Rogers, on account, 1 bbl. N. O. Molasses, 30 gals., @ 48 cts.; 1 Cask of Raisins, \$5.12; 2 bbls. Musc. Sugar, 438 lbs., @ 8 cts.

"

Cash Sales this week, \$283.27.

8

Sold J. W. Payson, on account, 1 Bag Coffee, 124 lbs., @ 11 cts.; 1 bbl. Flour, \$7.25; 100 lbs. Muscovado Sugar, @ 8 cts.; 10 lbs. Black Tea, @ 45 cts.; 20 lbs. Gr. Coffee, @ 16 cts.

"

Sold James Comor, on account, 1 bbl. N. O. Molasses, 32 gals., @ 48 cts.; 25 lbs. Java Coffee, @ 12½ cts.; 1 Cask Raisins, \$5.12; 50 lbs. Rice, @ 5 cts.; 10 lbs. Sago, @ 8 cts.

9

Received of H. C. Fisk, \$15, on account.

"

Sold Henry Rolland, 1 bbl. Flour, \$7.00; 12 gals. Molasses, @ 33½ cts.; 6 lbs. Sago, @ 8 cts.; 2 lbs. Starch, @ 12½ cts.



# BOOKKEEPING.

10

Sold Isaac Hartwell, 10 lbs. Gr. Coffee, *at* 16 cts.; 5 lbs. Black Tea, *at* 46 cts.; 1 bbl. B. Sugar, 214 lbs., *at* 8½ cts.; 10 lbs. Cask Raisins, *at* 9 cts.; 6 lbs. Cheese, *at* 10 cts.

Received in part payment, \$12, Cash.

11

Porter & Emmons, being in want of money, offered to discount my Note of Oct. 6, at the rate of 10 per cent. per annum. I have therefore paid it to-day.

12

Sold Wm. T. Thatcher, on account, 2 bbls. Extra Flour, *at* \$7.25; 100 lbs. W. Sugar, *at* 10½ cts.; 1 bbl. B. H. Sugar, 219 lbs., *at* 8½ cts.

Received from him A. P. Blake's Note, for \$50, due Nov. 15th and 18th. Allowed him the face of it.

13

Sold Oliver Parsons, on account, 5 lbs. Black Tea, *at* 40 cts.; 12 lbs. C. Raisins, *at* 9 cts.; 1 bbl. Molasses, 30 gals., *at* 31 cts.; 40 lbs. Rice, *at* 5½ cts.; 2 gals. W. Oil, *at* 70 cts.; 18 lbs. Fish, *at* 5 cts.

14

Sold J. R. Story, Hyde Park, 1 Box Soap, 71 lbs., *at* 6½ cts.; 1 Cask Raisins, \$5.25; 1 Box Raisins, \$1.85; 1 Box Starch, 25 lbs., *at* 10 cts.; 18 gals. Sperm Oil, *at* \$1.40; 1 Bag Coffee, 114 lbs., *at* 13 cts.

Received in part payment, \$35.

13

Cash Sales this week, \$347.63.

15

Sold W. T. Thatcher, on account, 1 bbl. N. O. Molasses, 31 gals., *at* 46 cts.; 1 Bag Rio Coffee, 115 lbs., *at* 11 cts.; 1 Chest Black Tea, 47 lbs., *at* 38 cts.; 1 Quintal Fish, \$4.25; 2 Boxes Raisins, *at* \$1.72; 1 Tub Butter, 63¼ lbs., *at* 23 cts.

16

Bought for Cash Goods, amounting to 162.25.

16

Sold Wm. A. Cary, on his Note at 60 days, a bill of goods, amounting to \$123.45.

17

Received of Samuel Rogers, \$25, on account.

Sold him, 1 bbl. W. Sugar, 220 lbs., *at* 10 cts.; 2 Boxes Raisins, *at* \$1.75; 1 Box Soap, 73 lbs., *at* 6½ cts.; 50 lbs. Rice, *at* 6 cts.; 50 lbs. Saleratus, *at* 6 cts.; 2 bbls. Flour, *at* \$6.87½; ½ lb. Nutmegs, 75 cts.

17

Received of Charles Sumner, \$35, on account.

18

Sold H. C. Fisk, on account, 50 lbs. W. Sugar, *at* 10½ cts.; 1 Box Raisins, \$1.75; 12 lbs. Rice, *at* 6 cts.

18

Loaned S. A. Bradbury \$1000 on his Note, payable in 2 mos., with interest.

# B O O K K E E P I N G .

19

Sold James Connor, on account, 1 Box Soap, 70 lbs.,  
@ 6½ cts.; 2 Boxes Raisins, @ \$1.65; 1 Box  
Starch, 26 lbs., @ 10 cts.; 12 lbs. Sago, @ 8 cts.

20

Received of Oliver Parsons, \$10, on account.

"

Cash Sales this week, \$391.76.

22

Sold J. W. Payson, on account, 1 Box Soap, 69½ lbs.,  
@ 6 cts.; 10 gals. Molasses, @ 48 cts.; 25 lbs. W.  
Sugar, @ 10½ cts.; 1 Box Starch, 25 lbs., @ 10 cts.

23

Bought of James Connor, on account, 4 Tubs of Butter,  
238 lbs., net, @ 20 cts.

24

Henry Rolland has paid \$20, on his account.

"

Sold Isaac Hartwell, 1 Tub Butter, 56 lbs., @ 23 cts.

25

J. W. Payson has paid me \$30, on account.

26

Sold J. R. Story, 1 Tub of Butter, 65½ lbs., @ 24 cts.;  
1 bbl. Flour, \$7.25; 12 gals. Molasses, @ 50 cts.

"

Samuel Rogers pays me \$40, on his account.

27

Sold W. T. Thacher, on account, 18 lbs. Cheese, @ 12  
cts.; 10 gals. Sperm Oil, @ \$1.42; 2 gals. Fluid,  
@ 64 cts.; 6 lbs. Saleratus, @ 6 cts.

"

Cash Sales this week, \$417.98.

29

Bought of Hiram Carpenter, a House at Fairmount, for  
my own use, for \$2500.00.

Gave in payment,

S. A. Bradbury's Note of the 18th inst., \$1000.

My Note at 3 mos., 500.

Cash for the balance, 1000.

(Carpenter agrees to take both Notes at their *face*.)

"

Sold H. C. Fisk, on acct., 1 bbl. Sugar, 215 lbs., @ 8 cts.;  
10 lbs. Gr. Coffee, @ 16 cts.; ½ lb. Nutmegs, 75 cts.

"

Wm. T. Thacher has paid the balance of his acct.

30

The Merchant's Bank has discounted Wm. A. Cary's  
Note to-day, and paid me the proceeds.

"

Charles Sumner has paid me the balance of his account.  
Paid the Clerk's wages, \$40.

"

Merchandise now in Store, \$3698.58.

EXPLANATIONS OF THE FOREGOING HISTORY.

THE assets and liabilities here enumerated should be entered in the several books where they belong, such as the Inventory-Book, Bill-Book, and also in the Day-Book, or Journal, and Cash-Book, in a style similar to that in the preceding set of books.

*Oct. 2.* The items of this purchase are omitted, to save space, and also because the Bill itself, which the purchaser receives, is, to him, sufficient evidence of the transaction. But the seller should enter, on his books, a full statement of the items, with their qualities, prices, &c., so that in case the Bill, which has been rendered should be lost, a new one could be made. When the items are specified in the Sales-Book, it is only necessary to enter the amount in the Day-Book or Journal.

*Oct. 6.* — For the proper form of the Note, see page 94, and also remarks on page 98. Banks do not generally receive Notes which bear interest, because in that form they do not appear to be “regular business paper,” and because there is more trouble in computing the discount and keeping the accounts.

*Oct. 9.* — Fifteen per cent. of the gross weight is the legal allowance for the weight of the box itself; but when the box is large, and the boards of which it is composed are thin, the actual weight of the box is often less than fifteen per cent. of the gross weight. Hence *retailers* are sometimes able to make a profit by selling sugar at the same price per pound as they gave for it.

*Oct. 13.* — This Note was due Oct. 1st and 4th, 1857; but as the holder did not present it for payment till Oct. 13th, 1858, he is entitled to interest on it for 1 year and 9 days.

*Oct. 16.* — As I have allowed French's Note to remain unpaid beyond the specified time, he should pay interest on it from the expiration of the sixty days, *and grace*, to this date (6 months 17 days).

*Oct. 18.* — Were the sum of money much larger, or the time longer, a more accurate method would be desirable. To find the amount for which a Note should be given, that, if discounted at a Bank, would yield just the sum now due, *divide the sum now due by the present worth of \$1, for the given time and rate.* In this case the Divisor should be  $\$1 - .0064$  (nearly) = .9936.  $\$2.95 \div .9936 = \$3.48 =$  the sum for which the Note should be given.  $\$3.48 -$  the discount, .54, =  $\$2.95$ , nearly. The slight error arises from the decimals.

*Oct. 23.* — Fire Insurance Companies will insure for only about  $\frac{3}{4}$  the estimated value of the property. But Marine Insurance Companies will not only insure vessels and their cargoes for their full value, but often for 10 per cent. more than their value, so as to *cover* not only the value of the property insured, but also the cost of the insurance.

For, if I get insurance on a cargo valued at \$10,000, paying \$500 for the premium, and the goods should be

lost, the Insurance Company would pay me 10,000, and I should lose the \$500.

To find the amount for which a policy should be taken to cover the whole, *divide the value of the property by 1 minus the rate.*

The difference in the terms of Fire and Marine Insurance may be explained, in part, by the remark that the former is more liable to fraud than the latter. Neither the owners, officers, nor crew, will often destroy a vessel while they themselves are on board of it.

Oct. 27. — See remark on the 18. Bank Discount is the same as interest for the specified time and the *days of grace*. If, however, a part of the specified time has expired, the discount will be reckoned only on the remainder, with the days of grace.

Oct. 29. — Having the money to spare, the offer of 10 per cent. discount induces me to pay the Note before it is due. The discount on this Note, at 10 per cent. per annum, is \$.64 nearly.

Oct. 29. — Stearns' object is to raise money by getting my Note discounted. I may do the same with his, or I may hold it merely for security.

Nov. 29. — The interest on Bradbury's Note, and the discount on mine, are of little consequence compared with the value of the house.

Nov. 30. — The discount is reckoned like interest, for the time between this date and the *last day of grace*, at 7 per cent.

REVIEW.

From an examination of my Books it appears that my present assets, counting all the debts good, are,

Cash, per C. B.,	\$388.41	
Merchandise, per Inventory,	3698.58	
Bills Receivable, per B. B.,	610.25	
House at Fairmount,	2500.00	
Oliver Parsons owes me on act.,	17.31	
Henry Rolland, " " " "	13.73	
H. C. Fisk, " " " "	31.57	
Saml. Rogers, " " " "	40.31	
J. W. Payson, " " " "	20.69	
Isaac Hartwell, " " " "	24.47	
J. R. Story, " " " "	48.21	\$7393.53

I owe as follows:

Bills Payable, per B. B.,	\$1035.56	
James Connor, on act.,	1.33	\$1036.89
Net Capital, now,		\$6356.64
Net Capital Oct. 1,		5946.06
Increase of property in 2 months,		\$410.58

The Profit & Loss act. shows total gains,	710.82
The " " " " " " losses,	179.49

Net gain of the business,	\$531.33
Deduct amount spent on private act.,	120.75
Increase of property, as above,	\$410.58

DOUBLE ENTRY.

THIRD SET.

---

WHOLESALE BOOT AND SHOE BUSINESS.

A PARTNERSHIP.

EDMANDS & PUTNAM.

## DOUBLE ENTRY.—THIRD SET.

HAVING in the three preceding sets of books shown, by example, the style of penmanship and arrangement suitable for keeping books in a small or retail business, the remainder of the book is printed in common type, and represents various kinds of wholesale business.

This set of books represents a Wholesale Boot and Shoe business; a partnership conducted by two equal partners, investing nearly equal sums, and the losses or gains to be divided equally.

## B O O K S .

Besides the books used in the preceding sets, the "DAY-BOOK AND JOURNAL COMBINED," the INVOICE-BOOK, and the SALES-Book, are here introduced as separate books of *original entry*.

## T H E D A Y - B O O K .

This book, as used in this set, partakes of the nature of both the Day-Book and the Journal, the peculiarities of the two being united in one.

The entries are first made in journal form, and are then followed by such particulars and specifications as are usually put in the Day-Book, when both books are kept separately. The entries made in this book are such as do not properly belong in either of the other books. Notes given or received, allowances for interest, discount, damages, deficiencies, &c., are entered here, and afterwards posted directly to the Ledger.

INVOICE-BOOK. — In this book is entered all the Merchandise bought; and that which is in the possession of the partners at the commencement of the business is regarded as if bought by the firm, and is entered in the Invoice-Book accordingly.

The entries in this book may be posted directly to the Ledger, or they may be journalized, and then posted from the Journal. The whole amount of Merchandise which has been bought will be posted in one item, as it is found added at the end of the month. This, indeed, is one of the principal reasons for the use of the Invoice-Book and Sales-Book, as separate from the Day-Book; for the Merchandise bought, as well as that which is sold, is kept distinct from all other entries, and the whole amount of either is thus easily found.

The several persons of whom the goods have been bought must be credited separately, of course, whatever method of bookkeeping may be employed; but if several purchases have been made from the same person during the month, these may be condensed into one entry in the Journal, or they may be posted directly into the Ledger in one sum, as the bookkeeper may choose.

THE SALES-BOOK is that in which all the sales are recorded, whether on credit or for cash; and it will be journalized or posted in the same manner as the Invoice-Book, except that the entries are reversed—the Merchandise account being credited for the whole amount, and the several parties to whom the sales have been made debited for their respective amounts.

SALES FOR CASH are marked "Paid" in the margin, so as to prevent their being posted, and the amounts are not extended into the outside column, and consequently not added with the other sales. Sometimes goods which have been sold on credit, and entered accordingly in the Sales-Book, are paid for before the entries are posted. In such a case, if we have not already an account with the person to whom the sale was made, it will not be best to open an account with him; but merely to mark out the amount which was extended, and also mark the entry "Paid." The record of the payment will be made in the Cash-Book, or elsewhere, as the case may be.

Some bookkeepers omit the cash sales in the Sales-Book, and enter them only in the Cash-Book.

## B I L L - B O O K .

THE BILL-BOOK in this set is used merely for convenience, although it is sometimes used as the only book in which Notes, Drafts, &c., are entered, before being posted into the Ledger.

The form of the Bill-Book varies somewhat to suit different circumstances. Some prefer to write the several dates at which the different Notes become due in one column, promiscuously; others have the book so ruled that the several months of the year occupy separate columns; others devote a whole page to each of the months. The first form is shown in this set, and the second will be given in the next.

Both dates at which a Note falls due, viz., that on

which the specified time expires, and the *last day of grace*, are entered in the Bill-Book, when it is convenient; but when these two days are in two different months, and there is not room enough for both, the first should be given instead of the last.

When Notes are given or received they should be entered in the Bill-Books at once, so that by examining them the business man may know when the payments are due, and be prepared for them. The Bill-Book is so simple in its form and use that no further explanation of it seems to be necessary.

## D I R E C T I O N S F O R W R I T I N G .

The learner will first copy the several books in their order, except the Bill-Book, which should be made from the entries in the Day-Book. But, if he wishes to save time, he may omit copying the invoices and sales.

He will then post each of the books separately, condensing similar entries in each book, for the whole month. But, if it is preferred, the Invoice, Sales, and Cash Books may be journalized at the end of the month into the Day-Book, which thus becomes a Journal. If this latter method is adopted, the whole is posted from the Day-Book or Journal.

THE LEDGER has been omitted in this set, that the learner may rely more upon himself; but the Stock accounts, the Profit & Loss account, and the Trial Balance, which are given, will serve as a key to the other parts of the Ledger.

## B O O K K E E P I N G.

The process of journalizing this set is very simple. Beginning with the Invoice-Book, the first Journal entry would be :

30

<i>Merchandise Dr.</i>	<i>To Sundries.</i>		
(Goods purchased during the month.)			
G. W. Edmonds, — invested,			\$1056 41
Lemuel Putnam, " "			10980 64
W. B. Braman, . . . . 1st,	\$100 80		
" . . . . 15th,	99 00		
" . . . . 26th,	75 00		274 80
Chase & Kennard, . . . 1st,	300 00		
" . . . . 14th,	126 00		
" . . . . 29th & 30th,	402 00		\$28 00

Thus the several names are taken in the order in which they occur in the Invoice-Book, and the learner will look through the month for the different purchases that have been made of the same person, and condense them together as above. So proceed till all the purchases of the month have been transcribed.

The first entry from the Sales-Book would be :

<i>Sundries Dr.</i>	<i>To Merchandise.</i>	
Wm. Adams & Co., . . . . .	4th,	\$ 286 02
" . . . . .	6th,	126 00
" . . . . .	26th,	174 36
Thomas Barrows, . . . . .	6th,	413 52
" . . . . .	30th,	180 00
Wm. Barton & Co., . . . . .		

The sales for cash will be omitted in the journalizing, because they are entered in the Cash-Book, and will be taken with the other cash items.

To journalize the Cash-Book, the first entry from the Dr. side will be:

Cash Dr.

*To Sundries.*

(Received this month.)

G. W. Edmonds, — invested, .	\$2000 00
Lemuel Putnam, " .	1600 00
Wm. Adams & Co., . . . 4th,	200 60
Merchandise, . . . 7th-16th,	874 20
Wm. Barton & Co., . . . .	

Then from the Cr. side the first entry will be :

*Sundries Dr.*

*To Cash.*

(Paid this month.)

Expense, . . . . .	4th,	\$124 00	
“ . . . . .	9th,	75 00	
“ . . . . .	14th,	1 00	200 00
Wm. B. Braman, . . . . .	5th,	100 80	
“ . . . . .	21st,	99 00	
“ . . . . .	28th,	75 00	274 80
John C. Redmond & Co., . . . . .			

The above directions will be sufficient to enable the learner to journalize the several books without difficulty; and if similar entries are condensed, as heretofore directed, there will be less labor in posting, so that in some cases it will require less labor to journalize and post by this method than to post from the original entries, without journalizing.

AGREEMENT.

In forming a partnership, it is important that each partner should have a copy of the *Articles of Agreement*, signed by all of them.



DOUBLE ENTRY.  
THIRD SET.  
INVOICE-BOOK.  
EDMANDS & PUTNAM.

## I N V O I C E - B O O K .

BOSTON, OCTOBER 1, 1858.

George W. Edmands.

150	Prs. Boys' Thick Brogans,	.51	\$ 76 50		
200	" Men's Goat Nullifiers,	.65	130 00		
100	" " Grained Pumps,	.55	55 00		
250	" Boys' " Brogans,	.65	162 50		
600	" Men's Enamelled Slips,	.50	300 00		
1000	" " Goat " "	.35	350 00		
500	" " " Dancing Pumps,	.75	375 00		
750	" " Grained Pumps,	.75	562 50		
600	" " Thick Brogans,	\$1.00	600 00		
625	" " Kip " "	.90	562 50		
850	" " " " "	.80	680 00		
475	" Boys' Thick Boots,	1.25	593 75		
600	" " " " "	1.40	840 00		
300	" " Calf " "	1.60	480 00		
240	" " Kip " "	1.30	312 00		
500	" " Thick " "	1.00	500 00		
300	" " Kip " "	1.30	390 00		
700	" " Thick " "	1.30	910 00		
2500	Gross Buttons,	.20	500 00		
6	Cases Men's Calf Boots,	30.00	180 00		
10	" " " " "	36.00	360 00		
34	Sides Enamelled Leather, 757 ft.,	.20	151 40		
1	Case $\frac{3}{4}$ Drill, 711 $\frac{1}{2}$ yds.,	.11	78 26		
600	Prs. Wo's Kid Pegged Boots,	.80	480 00		
500	" " Calf Buskins,	.75	375 00		
800	" " Grained Boots,	.70	560 00	10,564	41

Lemuel Putnam.

Mdse., as per Invoice [which we omit, to save room],

10,980 64

*Amount carried forward,*

\$21,545 05

INVOICE-BOOK.

2

BOSTON, OCTOBER, 1858.

		<i>Amount brought forward,</i>			\$21,545 05
	1st.				
	William B. Braman.				
	60 prs. Wo's Calf Boots, H'd,	.85	\$51 00		
	60 " " " " Sp'g,	.83	49 80		100 80
	"				
	Chase & Kenard.				
	360 prs. Wo's Opera Boots,	.83½			300 00
	4				
	Benjamin P. Thomas.				
	180 prs. Wo's Fox'd Gaiters,	\$1.05			189 00
	6				
	J. C. Redmond.				
	120 prs. Ladies' Fine Fox'd Gaiters,	.85			102 00
	7				
	C. W. Barnard.				
	204 prs. Wo's Pat. Fox'd Gaiters,	.92	187 68		
	117 " " F'cy Top Boots,	.95	111 15		298 83
	8				
	B. P. Thomas.				
	59 prs. Emm'd Boots,	.65	38 35		
	60 " Fox'd "	\$1.00	60 00		98 35
	<i>Amount carried forward,</i>				\$22,634 03

BOSTON, OCTOBER, 1858.

<i>Amount brought forward,</i>		\$22,634	03
— 11 —			
C. W. Barnard.			
48 prs. Ladies' Tip Gaiters, . . . . .	.65	\$31	20
57 " " " " . . . . .	.90	51	30
59 " " " " . . . . .	.72½	42	78
— " —			125 28
B. P. Thomas.			
150 prs. Ladies' Pat. Fox'd Gaiters, . . . . .	.85		127 50
— " —			
A. & A. Lawrence.			
4 cases $\frac{1}{4}$ Bleached Cotton, 4432½ yds., . . . . .	.71½		332 44
— 13 —			
C. W. Stoddard & Co.			
25 doz. Wh. Fr. Kid, . . . . .	8.50		212 50
— 14 —			
Chase & Kennard.			
120 prs. M. R. White Gaiters, . . . . .	1.05		126 00
— 15 —			
W. B. Braman.			
180 prs. Wo's Emu'd Buskins, . . . . .	.55		99 00
<i>Amount carried forward,</i>		\$23,656	75

INVOICE-BOOK.

4

BOSTON, OCTOBER, 1858.

<i>Amount brought forward,</i>				\$23,656	75
18					
J. C. Redmond.					
60 prs. Wo's Em'd J. L. Boots,	. . . . .	.90	\$54	00	
5 Cartons,	. . . . .			62	54 62
19					
J. C. Redmond.					
240 prs. Miss. Goat Laced Boots,	. . . . .	.60			144 00
20					
J. C. Redmond.					
48 prs. Fox'd Gaiters,	. . . . .	.97½	46	80	
48 " Tip " . . . . .		.77½	37	20	84 00
"					
C. W. Barnard.					
429 prs. Child's Kid J. Lind,	. . . . .	.23			98 67
21					
B. P. Thomas.					
72 prs. Ladies' Fine Fr. Kid Slips,	. . . . .	.75	54	00	
24 " " " " J. L. Boots,	. . . . .	.92	22	08	
8 Cartons,	. . . . .			80	76 88
22					
A. & A. Lawrence.					
5 bales Sheetting — B. H. S.,					
821, 817, 820, 819, 820 — 4097 yds.,	. . . . .	.71½			307 27
<i>Amount carried forward,</i>				\$24,422	19

BOSTON, OCTOBER, 1858.

		<i>Amount brought forward,</i>			\$24,422 19
	23				
	B. P. Thomas.				
	180 prs. Wo's Goat Boots,	.90	\$162 90		
	180 " " Enm'd "	.90	162 00		\$324 00
	25				
	C. W. Barnard.				
	240 prs. Wo's Kid Polka,	1.00			240 00
	26				
	W. B. Braman.				
	120 prs. Misses' Enm'd J. Lind,	.62½			75 00
	27				
	C. W. Stoddard & Co.				
	100 sides Buff Leather, 866 lbs.,	.19			164 54
	28				
	J. M. Beebe & Co.				
	50 prs. Drab Snow Boots,	1.40			70 00
		<i>Amount carried forward,</i>			\$25,295 73

BOSTON, OCTOBER, 1858.

*Amount brought forward,*

\$25,295 73

29

Chase & Kennard.

35 prs. Patent Opera Boots, . . . . . 3.00  
 24 " Em'd Congress " . . . . . 1.62 $\frac{1}{2}$   
 72 " Pat. Glove Top " . . . . . 1.62 $\frac{1}{2}$   
 24 " " Moro. " . . . . . 1.62 $\frac{1}{2}$

\$105 00  
 39 00  
 117 00  
 39 00

300 00

30

Chase & Kennard.

2 cases Pump Boots, . . . . . 36.50  
 1 "  $\frac{1}{2}$  Wt. " . . . . .

73 00  
 29 00

102 00

*Merchandise Dr.*

\$25,697 73





DOUBLE ENTRY.

THIRD SET.

SALES-BOOK.

EDMANDS & PUTNAM.

## SALES-BOOK.

BOSTON, OCTOBER 4, 1858.

<i>Paid.</i>	Wm. Adams & Co.				
	72 prs. Men's Thick Boots,	\$2.25	162 00		
	36 " " Fr. Calf " $\frac{1}{2}$ Wt.,	2.75	99 00		
	24 " " Kip Brogans,	1.08	25 92	286 92	
		6			
	Wm. Adams & Co.				
	36 prs. Wo's Fr. Kid Buskins,	.85	30 60		
	36 " " Emm'd M. W. Boots,	.92 $\frac{1}{2}$	33 30		
	36 " Men's Over-Shoes,	.97 $\frac{1}{2}$	35 10		
	36 " Wo's " " "	.75	27 00	126 00	
		"			
	Thomas Barrows.				
	96 prs. Wo's Emm'd J. L. Boots,	.87 $\frac{1}{2}$	84 00		
	96 " " " Polka " "	.87 $\frac{1}{2}$	84 00		
	96 " " P. Fox'd Gaiters,	1.00	96 00		
	96 " " Emm'd M. W. J. L.,	.92	88 32		
	96 " " Calf Peg Boots, Lined,	.95	91 20	443 52	
		7			
	Wm. Barton & Co.				
	96 prs. Child's Kid Lined Boots,	.22	21 12		
	96 " " Goat Peg'd " "	.42	40 32		
	96 " Wo's Buskins,	.40	38 40	99 84	
		"			
	Gardner T. Barker.				
	24 prs. Men's Calf $\frac{1}{2}$ Wt. Boots,	2.75	66 00		
	24 " " Fr. Calf D.S., " "	3.25	78 00		
	12 " Wo's Snow Boots,	1.50	18 00		
	24 " Ladies' S. W. Pat. Fox. Gaiters,	1.60	38 40		
	24 " " Glove Kid " "	1.00	24 00		
			224 40		
	<i>Amount carried forward,</i>			956 28	

BOSTON, OCTOBER 7, 1858.

<i>Amount brought forward.</i>			956	28
Samuel Barrett.				
48 prs. Wo's S. W. P. Fox. Gaiters, . . . . .	1.00	48	00	
34 " " " " " " " " . . . . .	1.20	40	80	
31 " " Kid Congress Boots, . . . . .	1.20	37	20	
48 " " S. W. P. Fox. Gaiters, . . . . .	1.35	64	80	
48 " " Emm'd Polka Boots, . . . . .	.80	38	40	229 20
8				
Smith & Trainer.				
60 prs. Wo's Kid Ties, . . . . .	.35	21	00	
60 " " Fox. Buskins, . . . . .	.75	45	00	
30 " Child's Goat " . . . . .	.33 $\frac{1}{2}$	10	00	
30 " " Roan Boots, . . . . .	.17	5	10	
60 " " Fancy " . . . . .	.45 $\frac{1}{2}$	27	30	
30 " Wo's Emm'd Polka, . . . . .	.87 $\frac{1}{2}$	26	25	
30 " " Calf Boots, . . . . .	.85	25	50	160 15
9				
Wm. Barton & Co.				
60 prs. Wo's Emm'd Peg'd Buskins, . . . . .	.65	39	00	
60 " " Int. Goat Peg'd " . . . . .	.70	42	00	
59 " " Goat Peg'd J. L. Boots, . . . . .	.82 $\frac{1}{2}$	48	68	
60 " " Calf " Buskins, . . . . .	.70	42	00	
60 " " Grained " . . . . .	.55	33	00	
240 " " Emm'd Laced Boots, . . . . .	.60	144	00	348 68
Chapman & Co.				
120 prs. Wo's Pat. Fox. Gaiters, . . . . .	1.12 $\frac{1}{2}$	135	00	
72 " " Glove P. Tip " . . . . .	.90	64	80	
48 " " P. Fox. Gaiters, . . . . .	.92 $\frac{1}{2}$	44	40	244 20
<i>Amount carried forward,</i>			1938	51

BOSTON, OCTOBER 9, 1858.

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BOSTON, OCTOBER 13, 1858.

		<i>Amount brought forward,</i>		\$2,866 02
George Sanborne, Jr.				
<i>Paid.</i>	50 prs. Wo's Split Boots, . . . . .	.80	\$40 00	
	48 " " Grained " . . . . .	.80	38 40	
	36 " " Goat " . . . . .	.95	34 20	
	36 " " Toilet Slips, . . . . .	.50	18 00	
	16 " " Snow Boots, . . . . .	1.50	24 00	
16			\$154 60	
Freeman & Lunt.				
11 doz. Calf Skins, 374 lbs., . . . . .		.94		351 56
Louis Sanderson.				
3½ doz. Grained Leather, 900½ lbs., . . . . .		.14	126 07	
61 lbs. Split " . . . . .		.38	23 18	
174½ " " " . . . . .		.38	65 47	214 42
John B. Grant.				
<i>Paid.</i>	48 prs. Child's Goat Boots, . . . . .	.42	20 16	
	48 " " Grained " . . . . .	.42	20 16	
	24 " Wo's Snow Boots, . . . . .	1.50	36 00	
	24 " " Emm'd Polka Boots, . . . . .	.95	22 80	
	24 " " " " M. W., . . . . .	.95	22 80	
			121 92	
		<i>Amount carried forward,</i>		\$3432 00

BOSTON, OCTOBER 18. 1858.

		<i>Amount brought forward,</i>	\$3432 00
Smith & Trainer.			
120	prs. Wo's Enml'd Sewed J. L. Boots,	.90	\$108 00
120	" Child's " Peg'd Laced "	.42 $\frac{1}{2}$	51 00
60	" Misses " " " "	.65	39 00
23	Sides Enml'd Leather, 444 $\frac{1}{4}$ ft.,	.18	79 96
		20	
Thomas Simpson.			
60	prs. Wo's Goat Peg'd Polka,	.90	54 00
60	" " Int'l Calf Strip'd Shoes	.62 $\frac{1}{2}$	37 50
59	" Miss " Goat J. L. Boots,	.55	32 45
60	" " " " " "	.55	33 00
48	" Wo's Pat. Fox'd Gaiters,	1.08	51 84
59	" " " " " "	1.08	63 72
		23	
Thomas Simpson.			
1	case Drill, 1083 yds.,	.9	97 47
52	gro. No. 13 Laces,	.19	9 88
1	doz. Ladies' Cork Soles,		1 25
1	" Gent's " " "		1 50
		25	
Louis Sanderson.			
48	prs. Youth's Thick D. S. Boots,	1.00	48 00
48	" Men's Calf " " "	3.00	144 00
		<i>Amount carried up,</i>	192 00
		<i>Amount carried forward,</i>	\$4092 57

Amount brought forward,

\$4092|57

*Amount brought up,*

\$192.00

12 prs. Men's Pumps, . . . . . 1.15

13.80

12	"	Wolfe P. Fox, Cong. Gaiters,	. . . . .	1.35
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1620

24	"	"	Kid	"	Side Laced, . . . .	1.10
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2640

1 Carton, .

13

248'53

- 26

72 prs. Men's Fr. Calf  $\frac{1}{2}$  Wt. Boots, . . . . . 2.66 $\frac{2}{3}$ 

192 00

72	Youth's Thick D. S. Boots, . . . . .	1.00
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72'00

54 • Wo's Goat Peg'd Polka Boots, . . . . .92

49'68

313 68

“

72 prs. Wo's Enn'd J. L. Polka, . . . . .83

59 76

36	"	"	Pat. Tip Gaiters, . . . . .	.83
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29 88

[illegible]

1992

72     "Child's Fancy Shoes," . . . . . 45

3240

72 " " Goat Pegg'd Polka, . . . . . 45

3240

17436

27

120 prs. Wo's Goat Polka, . . . . .90

108 00

120 " Child's " " . . . . . 45

5400

120 " " Kid Lac'd Polka, . . . . . 423

51 00

213.00

*Amount carried forward.*

35042 14

BOSTON, OCTOBER 27, 1858.

			Amount brought forward,	\$5042 14
Brown & Vincent.				
60	prs.	Misses Im't Goat J. L. Boots,	.50	\$30 00
60	"	Wo's Emm'd " " "	.65	39 00
36	"	" Kid " " "	1.00	36 00
48	"	" Goat " " "	.80	38 40
60	"	" S. W. P. Fox. Gaiters,	1.05	63 00
			30	206 40
Smith & Trainor.				
38	gro.	Sk. Buttons,	.30	11 40
3	ps. $\frac{3}{4}$	Drill, 131 $\frac{1}{2}$ yds.,	.69	11 84
10	" $\frac{1}{4}$	" 350 $\frac{1}{4}$ " " "	.09 $\frac{1}{2}$	33 27
			"	56 51
Simonds & Thomson.				
48	prs.	Wo's Pat. Fox. Gaiters,	1.15	55 20
120	"	" Goat S. S. Boots,	.82 $\frac{1}{2}$	99 00
60	"	" Moro. " " "	.82 $\frac{1}{2}$	49 50
			"	203 70
Thomas Barrows.				
60	prs.	Wo's Kid Kossuth Boots,	.90	54 00
60	"	" Glove Fox. J. L. Boots,	.82 $\frac{1}{2}$	49 50
60	"	Misses Im't Goat " " "	.60	36 00
60	"	" Emm'd " " "	.67 $\frac{1}{2}$	40 50
			"	180 00
Samuel Barrett.				
60	prs.	Misses Calf H'd Boots,	.90	54 00
60	"	Pat. Fox. Gaiters,	1.10	66 00
60	"	Infant's Shoes,	.15	9 00
				129 00
			Merchandise Cr.	\$5817 75



DOUBLE ENTRY.

THIRD SET.

DAY-BOOK.

EDMANDS & PUTNAM.

## D A Y - B O O K .

BOSTON, OCTOBER 6th, 1858.

Bills Receivable	Dr.		
To Thomas Barrows,			
For his Note, dated October 6, at 6 mos., . . . . .			\$443 52
— " —			
Chase & Kemard	Dr.		
To Bills Payable,			
For our Note, dated October 1, at 8 mos., . . . . .			300 00
— " —			
B. P. Thomas	Dr.		
To Bills Payable,			
For our Note, dated October 4, at 8 mos., . . . . .			189 00
— 7 —			
Merchandise	Dr.		
To Wm. Barton & Co.,			
For 96 prs. Child's Boots, returned on account of imper- fection, at .22, . . . . .			21 12
— 8 —			
Sundries	Dr.		
To Samuel Barrett,			
Mdse.— for 1 pr. Gaiters, short in bill of 7th inst., . . . . .		1 00	
Bills Rec.— for his Note, dated October 7, at 6 mos., . . . .		228 20	229 20
— " —			
Charles W. Barnard	Dr.		
To Bills Payable,			
For our Note, dated October 7, at 6 mos., . . . . .			298 83
— 12 —			
A. & A. Lawrence	Dr.		
To Bills Payable,			
For our Note, dated October 11, at 6 mos., . . . . .			\$332 44

BOSTON, OCTOBER 12, 1858.

Bills Receivable	Dr.		
To William Adams & Co.,			
For their Note, dated October 5, at 60 days, . . . . .		212	92
15			
Benj. P. Thomas	Dr.		
To Bills Payable,			
For our Note, dated October 10, at 6 mos., . . . . .		225	85
16			
Bills Receivable	Dr.		
To Wm. Barton & Co.,			
For their Note, dated October 9, at 60 days, . . . . .		127	40
20			
Bills Receivable	Dr.		
To Brown & Vincent,			
For their Note, dated October 11, at 60 days, . . . . .		370	13
22			
John C. Redmond	Dr.		
To Bills Payable,			
For our Note, dated October 19, at 6 mos., . . . . .		282	62
25			
B. P. Thomas	Dr.		
To Interest,			
For 5 per cent. Discount on \$400.88, amount of Invoices			
of 21st and 23d inst., . . . . .		20	04
28			
Charles W. Barnard	Dr. to Sundries,		
To Interest, for 4 per cent. Discount on \$338.67, amount			
of Invoices of 20th and 25th inst., . . . . .		\$13	55
To Bills Payable,			
For our Note, dated October 24, at 2 mos., . . . . .		325	12
			338 67

BOSTON, OCTOBER 30, 1858.

Chase & Kennard	Dr.		
To Merchandise,			
For allowance, as agreed, for damage on one dozen Opera Boots, . . . . .			1 50
— " —			
Profit & Loss	Dr.		
To Expense,*			
For 1 month's Rent of Store, at \$2000 per annum, unpaid,	166 67		
" 1 " Salaries of Clerks, . . . . .	105 00		
" Sundry small expenses, . . . . .	23 80	295 47	
— " —			
Brown & Vincent	Dr.		
To Bills Receivable,			
For their Note, due December 10, given up, . . . . .		370 13	
— " —			
Sundries	Dr. To Brown & Vincent.		
Profit & Loss,			
For 60 per cent. allowance, as agreed, on our claim against them, . . . . .	473 72		
Bills Receivable,			
For their Note, dated Oct. 30, at sixty days, endorsed by J. B. Howard, . . . . .	315 81	789 53	
— " —			
Mdse. on hand, per Inventory, \$19710.67.			

\* The retiring partner should bear his part of these expenses, which have been incurred, though they are not payable till the end of the quarter.

DOUBLE ENTRY.

THIRD SET.

CASH-BOOK.

EDMANDS & PUTNAM.

1 Dr.

## C A S H

1858

Oct. 1st	To George W. Edmonds, — Amount invested, . . . . .	\$2000 00	
" "	" Lemuel Putnam, — " " . . . . .	1600 00	
" 4th	" William Adams & Co., — Rec'd of them, . . . . .	200 00	
" 7th	" Merchandise, — " " G. T. Barker, for his bill of this date, .	224 40	
" 9th	" " — " " James Smith, " " " " " " .	164 48	
" 11th	" " — " " Wm. Brown, " " " " " " .	208 80	
" 13th	" " — " " Geo. Sanborne, " " " " " " .	154 60	
" 16th	" " — " " J. B. Grant, " " " " " " .	121 92	
" "	" William Barton & Co., — " " them, . . . . .	300 00	
" 18th	" Chapman & Co., — " " " . . . . .	244 20	
" 19th	" Smith & Trainer, — " " " . . . . .	160 15	
" 20th	" Brown & Vincent, — " " " . . . . .	200 00	
" 23d	" Freeman & Lunt, — " " " . . . . .	150 00	
" 25th	" Smith & Trainer, — " " " . . . . .	100 00	
" 28th	" Thomas Simpson, — " " him, . . . . .	300 00	
" 30th	" Louis Sanderson, — " " " . . . . .	75 00	6203 55

Cash, Dr. . . . \$6203 55

# C A S H

Cr. 2

1858									
Oct.	4th	By Expense,	—	Pd. B. Loring & Co., bill of Blank-Books, &c.,	\$30 00				
				“ J. Tirrell & Co., bill of 4 tons Coal, at \$6.50,	26 00				
				“ for housing Coal, . . . . .	1 00				
				“ Stephen Smith's bill (1 Desk \$25, 1 do. \$30),	55 00				
				“ A. H. Allen's bill of Chairs, &c., . . . . .	12 00			\$124 00	
“	5th	“ Wm. B. Braman,	—	“ him for invoice of 1st inst., . . . . .				100 80	
“	7th	“ John C. Redmond,	—	“ “ “ “ 6th “ . . . . .				102 00	
“	9th	“ Expense,	—	“ N. E. Insurance Co. for \$10,000 Insurance on					
				Stock, 1 year from Oct. 7th, at $\frac{1}{2}$ per cent.,	50 00				
“	“	“ “	—	“ Fireman's Insurance Co. for \$5,000 Insurance					
				on Stock, 1 year from Oct. 7th, at $\frac{1}{2}$ per cent.,	25 00			75 00	
“	12th	“ C. W. Barnard,	—	“ him for invoice of the 11th inst., . . . . .				125 28	
“	14th	“ Expense,	—	“ for Labor, . . . . .				1 00	
“	16th	“ C. W. Stoddard & Co.,	—	“ them for invoice of 13th inst., . . . . .				212 50	
“	20th	“ Chase & Kennard,	—	“ “ “ “ 14th “ . . . . .				126 00	
“	21st	“ Wm. B. Braman,	—	“ him “ “ 15th “ . . . . .				99 00	
“	25th	“ B. P. Thomas,	—	“ “ “ invoices of 21st and 23d inst., less					
				5 per cent., . . . . .				380 84	
“	28th	“ Wm. B. Braman,	—	“ him for invoice of 26th inst., . . . . .				75 00	
“	30th	“ James M. Beebe & Co.,	—	“ them for invoice of 28th inst., . . . . .				70 00	
				Cash, Cr. . . . .				\$1491 42	
				Balance carried to November, . . . . .				4712 13	
								\$6203 55	





DOUBLE ENTRY.

THIRD SET.

BILL--BOOK.

EDMANDS & PUTNAM.

# BOOKKEEPING.

## NOTES AND BILLS RECEIVABLE.

No.	PROMISORS.	ENDORSERS.	DATE.	TIME.	WHEN DUE.	AMOUNT.	REMARKS.
1	Thomas Barrows, . . . . .		<sup>1858</sup> Oct. 6	6 mos.	<sup>1859</sup> April 6-9	\$443.52	
2	Samuel Barrett, . . . . .		" 7	" "	" 7-9 <sup>3</sup>	228.20	
3	William Adams & Co., . . . . .		" 5	60 days.	<sup>1858</sup> Dec. 4-7	212.92	
4	William Barton & Co., . . . . .		" 9	" "	" 8-11	127.40	
5	Brown & Vincent, . . . . .		" 11	" "	" 10-13	370.13	
6	Brown & Vincent, . . . . .	J. B. Howard, . . . . .	" 30	" "	" 29	315.81	

## NOTES AND BILLS PAYABLE.

No.	TO WHOM PAYABLE.	FOR WHAT GIVEN.	DATE.	TIME.	WHEN DUE.	AMOUNT.	REMARKS.
1	Chase & Kennard, . . . . .	Merchandise,	<sup>1858</sup> Oct. 1	8 mos.	<sup>1859</sup> June 1-4	\$300.00	
2	Benjamin P. Thomas, . . . . .	"	" 4	8 "	" 4-7	189.00	
3	Charles W. Barnard, . . . . .	"	" 7	6 "	April 7-10	298.83	
4	A. & A. Lawrence, . . . . .	"	" 11	6 "	" 11-14	332.44	
5	B. P. Thomas, . . . . .	"	" 10	6 "	" 10-13	225.85	
6	John C. Redmond, . . . . .	"	" 19	6 "	" 19-22	282.62	
7	Charles W. Barnard, . . . . .	"	" 24	2 "	<sup>1858</sup> Dec. 24-27	325.12	

\* Notes, &c., which *fall due* on Sunday, or any public holiday, must be paid on the previous day.

DOUBLE ENTRY.

THIRD SET.

LEDGER.

EDMANDS & PUTNAM.

# LEDGER.

<i>Dr.</i>		GEORGE W. EDMANDS.		<i>Cr.</i>	
1858			1858		
Oct. 30	To Profit & Loss, . . . . .	\$ 125 66	Oct. 1	By Merchandise, . . . . . 1	\$10564 41
" "	" Balance, . . . . .	12438 75	" "	" Cash, . . . . .	2000 00
		<u>\$12564 41</u>			<u>\$12564 41</u>
			Oct. 30	By Balance, . . . . .	\$12438 75

<i>Dr.</i>		LEMUEL PUTNAM.		<i>Cr.</i>	
1858			1858		
Oct. 30	To Profit & Loss, . . . . .	\$ 125 67	Oct. 1	By Merchandise, . . . . . 1	\$10980 64
" "	" Balance, . . . . .	12454 97	" "	" Cash, . . . . .	1600 00
		<u>\$12580 64</u>			<u>\$12580 64</u>
			Oct. 30	By Balance, . . . . .	\$12454 97

<i>Dr.</i>		PROFIT & LOSS.		<i>Cr.</i>	
1858			1858		
Oct. 30	To Expense, . . . . .	\$200 00	Oct. 30	By Merchandise, . . . . .	\$684 27
" "	" " . . . . .	295 47	" "	" Interest, . . . . .	33 59
" "	" Brown & Vincent, . . . . .	473 72	" "	Geo. W. Edmonds, . . . . .	125 66
			" "	Lemuel Putnam, . . . . .	125 67
		<u>\$969 19</u>			<u>\$969 19</u>

# TRIAL-BALANCE.

BOSTON, OCTOBER 30, 1858.

L. F.	Dr.	Cr.
George W. Edmonds, . . . . .		\$1256 41
Lemuel Putnam, . . . . .		12580 64
Profit & Loss, . . . . .	769 19	
Merchandise, . . . . .	19026 40	
Expense, . . . . .		95 47
Interest, . . . . .		33 59
Bills Payable, . . . . .		1953 86
" Receivable, . . . . .	1327 85	
Cash, . . . . .	4712 13	
Chase & Kennerd, . . . . .		400 50
A. & A. Lawrence, . . . . .		307 27
C. W. Stoddard & Co., . . . . .		164 51
Wm. Adams & Co., . . . . .	174 36	
Thomas Barrows, . . . . .	180 00	
Samuel Barrett, . . . . .	129 00	
Smith & Trainer, . . . . .	234 47	
Thomas Simpson, . . . . .	439 99	
Freeman & Lunt, . . . . .	201 56	
Louis Sanderson, . . . . .	387 95	
Plimpton & Warren, . . . . .	313 68	
Simonds & Thompson, . . . . .	203 70	
	<u>28100 28</u>	<u>28100 28</u>

## REVIEW.

It appears from the Partners' accounts that the net capital of the *firm*, at the commencement of business, was \$25155.05.

Having continued in the business one month, they found it less profitable than was expected: it was decided by mutual agreement to dissolve the partnership.

An examination of their accounts shows that they have lost, by the failure of one of their customers, \$473.72, and the expenses have been \$495.47. The total losses, therefore, are \$969.19.

But they have gained on Merchandise \$684.27, and the credit balance on the interest account is \$33.59: making the total gains \$717.86. This sum subtracted from the total losses leaves for a *net loss* \$251.33.

Being equal partners, this loss must be divided equally between the two; therefore Edmands' half of it is \$125.66, — Putnam's, \$125.67.

When the amount of the net loss is entered on the Credit side of the Profit & Loss account, it will be balanced; and then, if the same two sums are debited on the partners' accounts, they may be balanced like other personal accounts, and the balance of each partner's account will be his net capital.

## QUESTIONS.

What does this set of books represent?

What books are used in this set?

Describe the "Day-Book and Journal Combined."

How is the Invoice-Book used?

What is the use of the Sales-Book?

What is said of the Cash Sales?

Is it necessary to *journalize* these books?

For what is the Bill-Book used?

What is said of *copying* in this set?

How should the several books be posted?

Why is the Ledger omitted in the text-book?

How much was invested by each of the partners?

How much Merchandise has been bought?

How much sold during the month?

How much Cash has been received? Paid out?

What amount of Notes have been received?

How much has been paid on these Notes?

What is the amount of Notes Payable now due?

What is due the firm on acc't? What do they owe?

What have been the expenses during the month?

What has been lost by *bad debts*?

What is the whole amount of gains? Losses?

What is the *net* gain or loss?

## MERCANTILE CALCULATIONS.

## INTEREST AND DISCOUNT.

THE term Interest, as used by business men, may be said to mean *the use of money*, or, the *price* paid for the use of money. When, for example, a man pays me \$6 for the use of \$100 for one year, the sum he pays me is not the interest, but it is the *price* paid for the interest or use of the money. I have received, *Cash* (\$6), and he has received the *use* of \$100. Hence, in Bookkeeping, *Cash* is debited and *Interest* credited, in cases of this kind.

*Discount* is a similar allowance for the use of money when it is paid before it is due.

NOTE.—The sum on which the Interest is to be reckoned is called the *Principal*; the price paid for the use of \$1 one year is called the *Rate*, and the Principal and Interest added together make the *Amount*.

The *Rate* is fixed by law, and varies in the different States. In New England and most of the States of this Union it is 6 per cent.; also in Canada and Nova Scotia. In New York, Michigan, Wisconsin, Minnesota, South Carolina, and Georgia, it is 7 per cent.; in Alabama and Texas, 8 per cent.; in California, 10, and in Louisiana, only 5 per cent.; also in England and France, 5 per cent.

These are the rates fixed by law, in all cases in which no particular rate is specified. But in some of these States a higher rate may be taken by special agreement between the parties.

## TO FIND THE INTEREST ON \$1 FOR ANY GIVEN TIME.

As 6 per cent. is easier to reckon than any other rate in common use, the following rules and calculations are based on that rate; and when no rate is specified, 6 per cent. is understood.

## YEARS.

At 6 per cent. a year, what should be paid for the use of \$1 for 2 years? 3 years? 5 years? 10 years? What for  $1\frac{1}{2}$  years?  $2\frac{1}{4}$  years?  $1\frac{3}{4}$  years?  $3\frac{2}{3}$  years?  $7\frac{1}{2}$  years?

## MONTHS.

As the interest on \$1 for 1 year, or 12 months, is 6 cents, it must be  $\frac{1}{2}$  cent for a month, or one half as many cents as there are months for any given time.

What is the interest on \$1 for 6 months? 8 months? 3 months? 9 months? 15 months? 20 months? 25 months? 1 year and 6 months? 2 years and 5 months? 4 years and 9 months?

## DAYS.

At  $\frac{1}{2}$  cent, or 5 mills, per month of 30 days, the interest on \$1 is 1 mill for every 6 days.

What, then, is the interest on \$1 for 12 days? 18 days? 24 days? 3 days? 9 days? 15 days? 4 days? 7 days? 11 days? 14 days? 17 days? 33 days? 29 days?

## A SHORT METHOD OF RECKONING INTEREST, ETC.

At 6 per cent. any sum of money will *double* in 200 months. For if the interest on \$1 is  $\frac{1}{2}$  a cent a month, in 200 months it must be \$1.

Therefore, the interest on *any* principal at 6 per cent., for 200 months, is equal to the principal.

" 100	"	"	$\frac{1}{2}$	"	"
" 50	"	"	$\frac{1}{4}$	"	"
" 40	"	"	$\frac{1}{5}$	"	"
" 25	"	"	$\frac{1}{8}$	"	"
" 20	"	"	$\frac{1}{5}$	"	"
" 10	"	"	$\frac{1}{10}$	"	"
" 2	"	"	$\frac{1}{50}$	"	"

Now, since the interest on any principal, at 6 per cent., for 2 months, is  $\frac{1}{100}$ , or 1 *per cent.*, of the principal itself, it can therefore be found by simply *pointing off two figures from the right of the dollars.*

**RULE.** — *Find the interest for 2 months by pointing off two figures from the right of the dollars: and then for any other number of months, multiply, divide, add, or subtract, as the case may require.*

**EXAMPLE 1.** What is the interest on \$1234.12 for 2 months? *Ans.* \$12.34.

2. What is the interest on \$1728 for 4 months?  
(Point and multiply by 2.) *Ans.* \$34.56.

3. What is the interest and the amount of \$164.88 for 3 months? *Ans.* Int., \$2.47, Amt. \$167.35.

**NOTE 1.** — When the time does not exceed 4 months, 50 cents, or more, in the *principal*, may be counted as another dollar, in the operation, merely, but not in the *amount*. Thus, \$164.88 = \$165. \$165 for 2 months = 1.65, and for 1 month = half of it, = .82; and \$1.65 + .82 = \$2.47; \$2.47 + \$164.88 = 167.35.

**NOTE 2.** — When the principal is counted greater than it really is, the slight error may be corrected in part by rejecting such fractions as occur in other parts of the operation: as, in the instance above, 82 $\frac{1}{2}$  cents was called 82 cents, by which 5 mills were lost, to balance a gain of about 2 mills.

On the other hand, if the principal is counted less than it really is, the error is corrected by *counting in* the fractions, as 83 cents instead of 82 in the example above.

But if these rules are observed, the error never can exceed the interest of 50 cents for 4 months, = about 1 cent.

4. What is the interest on \$644.32 for 1 month?  
(Point for 2 months and take one-half.) *Ans.* \$3.22.
5. Find the interest on \$840.12 for 9 months.  
(Find it for 10 mos. and subtract one-tenth.) *Ans.* \$37.80.
6. Find the interest on \$1274.93 for 11 months.  
(Find it for 10 months, and add one-tenth.) *Ans.* \$70.12.

**NOTE.** — In the last two examples, although the time is longer than provided for by the rule, yet, as the odd cents vary a little from whole dollars, the principals are so counted, viz., \$840, and \$1275, respectively.

7. Find the interest on \$1500 for 10 months.  
*Ans.* \$75.
8. Find the interest on \$100000 for 15 months.  
*Ans.* \$7500.
9. Find the interest on \$8888 for 20 months.  
(Point off one figure = one-tenth.) *Ans.* \$888.80.



10. Find the interest on \$123445 for 40 months.  
*Ans.* \$24689.
11. Find the interest on \$97864 for 50 months.  
*Ans.* 24466.
12. Find the interest on \$246864 for 100 months.  
*Ans.* \$123432.

## DAYS.

Having found the interest on any principal for 2 months, or 60 days, by the above method, we can easily find it for 6 days, by pointing off one figure more. The interest on \$100 for 60 days (2 months), is \$1.00, and for 6 days is  $.100 = 10$  cents. Again, at the rate of 1 mill for 6 days the interest for 6 days is just as many mills as there are dollars in the principal.

Example. The interest on \$1230 for 6 days is 1230 mills, which, divided by 1000 (by pointing off three figures), is \$1.23. Hence the following

*RULE.*—Find the interest for 6 days by pointing off three figures from the right of the dollars; and then for any other number of days, multiply, divide, add, or subtract, as the case may require.

- EXAMPLE 1. — What is the interest on \$123450 for 6 days?  
*Ans.* \$123.15.
2. What is the interest on \$2345 for 12 days?  
*Ans.* \$4.69.
3. What is the interest on \$2500 for 18 days?  
*Ans.* \$7.50.
4. What is the interest on \$1260 for 3 days?  
 (Point and take one-half.) *Ans.* \$.63.

5. What is the interest on \$9436.25 for 9 days?  
 (Point and add one-half of itself to it.) *Ans.* \$14.15.
6. What is the interest on \$5678.75 for 15 days?  
 (Point as for 60 days and take one-quarter.) *Ans.* \$14.20.

## YEARS, MONTHS, AND DAYS.

*NOTE.*—Although there is no special advantage in this method for reckoning interest for *whole years*, yet it often happens that the years and months, taken together, will make a convenient number of months, and thereby shorten the process very much.

EXAMPLE 1. What is the interest on \$5432.10 for 1 year, 8 months (20 months), and 10 days?

- Ans.* \$552.26.
2. What is the interest on \$155.18 for 5 months ( $\frac{1}{4}$  of 20 months) and 20 days?  
*Ans.* \$4.40.
3. What is the interest on \$131.46 for 11 months, 6 days?  
*Ans.* \$7.36.
4. What is the interest on \$47.20 for 3 months, 26 days? (Find it for 4 mos. and subtract the int. for 4 days.)  
*Ans.* \$.91.
5. What is the interest, at  $7\frac{1}{2}$  per cent., on \$125 for 1 month, 7 days? ( $7\frac{1}{2} = 6 + \frac{1}{4}$  of 6.) *Ans.* \$.96.
6. What is the interest, at 9 per cent., on \$652.78, for 11 months, 20 days?  
*Ans.* \$57.12.  
 (Find it for 1 year, and subtract the interest for 10 days.)
7. What is the interest, at 12 per cent., on \$1234 for 9 months, 15 days? (9 months 15 days = 10 months — 15 days.) *Ans.* \$117.23.
8. What is the interest on \$365.96 for 1 month 24 days (2 months — 6 days)? *Ans.* \$3.29.

9. What is the interest on \$6789.98 for 20 ( $\frac{1}{3}$  of 60) days?  
*Ans.* 22.63.

10. Find the interest on \$1243210 for 4 days.  
*Ans.* \$828.81.

11. Find the interest on \$76543.21 for 27 days.  
(Find it for 1 month and subtract one-tenth. *Ans.* \$344.45.

12. Find the interest on \$12560 for 40 ( $\frac{2}{3}$  of 60) days.  
*Ans.* \$83.73.

13. Find the interest on \$1859 for 45 ( $\frac{3}{4}$  of 60) days.  
*Ans.* \$13.94.

14. Find the interest on \$1959 for 48 ( $\frac{4}{5}$  of 60) days.  
*Ans.* \$15.67.

15. What is the interest on \$272.25 for 7 mos. 27 days (8 mos. — 3 days)?  
*Ans.* \$10.75.

16. What is the interest on \$640 for two years 6 mos. 4 days (2 yrs. 6 mos. = 30 mos.) *Ans.* \$96.43.

17. What is the interest on \$1142 for 3 years 4 mos. (40 months)?  
*Ans.* \$228.40.

18. What is the interest on \$2240 for 4 yrs. 7 mos.?  
(4 yrs. 7 mos. = 55 mos. = 50 mos. + 5 mos.) *Ans.* \$616.

19. What is the interest and *amount* of \$327.42 for 8 mos. 12 days?  
*Ans.* Int., \$13.75, Amt., \$341.17.

20. What was the amt., at 7 per cent., of a Note for \$500, dated May 9, 1858, at 3 mos., paid Oct. 20? *Ans.* \$506.61.

21. What is the amount of a Note on demand for \$165.75, at 7 per cent., dated July 23, 1859, and paid Oct. 26, 1859?  
*Ans.* \$168.75.

22. A Note for \$1728, dated Oct. 16, 1858, payable on demand, with interest at 5 per cent., was paid Aug. 22, 1859. What was the amount of it? *Ans.* \$1801.44.

23. What will be the amount of the following Note, on the 30th of June, 1860, if no payments are made on it before that time?

Boston, April 2, 1859.

Three months after date I promise to pay Hanaford & Payson, or order, Two Hundred and Seventy-five Dollars, value received.

A. B. CUSHING.

*Ans.* \$291.27.

24. What is the amount of the following Note, *now*?

BUFFALO, March 20, 1858.

For value received, I promise to pay to the order of Crosby, Nichols, & Co., Four Hundred and Sixty-nine Dollars, on demand, with interest.

C. D. EMERSON.

*Ans.*

25. What was due, June 1, 1859, on this Note?

BALTIMORE, June 10, 1858.

Sixty days from date I promise to pay to the order of Adams, Bruce, & Co., Four Hundred and Thirty Dollars, value received.

CHARLES DUNHAM.

Jan. 16, 1859, received on the above Note \$100.

*Ans.* \$348.73.

26.

PORTLAND, Aug. 27, 1857.

Value received, four months from date, I promise Jones & Co. to pay them, or order, One Hundred and Sixty Dollars, with interest after two months.

EDWIN FEARING.

Fifty dollars was paid on this Note Dec. 21, 1857, and twenty more July 13, 1858. What was due Aug. 17, 1858?  
*Ans.* \$95.70.

## AVERAGING OF ACCOUNTS.

## CASE I.

DIFFERENT DATES, BUT EQUAL TERMS OF CREDIT.

RULE. — (1) *Multiply each bill by the number of days between its own date and the earliest date in the account.*

(2) *Divide the sum of the products by the sum of the bills.*

(3) *The quotient added to the earliest date will give the average DATE OF SALE.*

(4) *The term of credit, added to the average date of sale, will give the AVERAGE DUE.*

EXAMPLE 1. When should the following account be settled, all the goods having been sold on 4 months' credit? *Ans.* Jan. 26, 1859.

## OPERATION.

1858.		
Sept. 1.	Mdse. \$15	\$15
" 21.	" 40	$40 \times 20 = 800$
Oct. 1.	" 50	$50 \times 30 = 1500$
" 12.	" 20	$20 \times 41 = 820$
		125      )3120(24 $\frac{12}{5}$ = 25
		Sept. 1 + 25 = Sept. 26.

In the above operation we proceed as if each of the several sums was due at its date; and as Sept. 1 is the earliest, we assume that date as the most convenient one from which to reckon the time. Then, supposing *to-day* to be the 1st of Sept., the first bill is not multiplied, because it is due now. But each of the other bills is multiplied by the number of days between Sept. 1 and its own date, "the time to elapse before it is due," according to the rule.

Sept. 26 is the average date of the sales, and the whole amount,

\$125, should be paid 4 months from this date, or Jan. 26, 1859. If days of grace are allowed, they should be added to Jan. 26; but grace is not generally allowed on accounts.

A *four-month* Note for the payment of the above should be dated Sept. 26, 1858.

2. Sold goods, per statement below, on 6 months' credit. When should the account be settled?

1858.	Oct. 4.	Mdse.	\$163.85	(164)
	" 23.	"	49.16	(49)
	Nov. 8.	"	190.00	
	" 15.	"	274.63	(275)
	" 25.	"	68.24	(68)
	Dec. 7.	"	152.93	(153)

*Ans.* May 9, 1859.

NOTE. — It is enough in the operation to express the several sums in whole dollars, 50 cents or more being called another dollar, and less than fifty omitted. But in the amount the cents must be added as they really are. By this means a great many figures are saved, and the same result obtained.

3. I have bought goods, per statement below, on 4 months' credit; and I wish to give in payment a Note payable 4 months from its date, without grace, that shall fall due on the same day on which the account should be paid. What should be the date of the Note?

1858.	Sept. 3d,	\$123.15;	8th,	\$145.20;	18th,	\$167.19.
	Oct. 5th,	\$69.30;	6th,	\$327.33;	16th,	\$156.72.
	" 27th,	\$78.29.				
	Nov. 6th,	\$343.42;	23d,	\$47.60.		
	Dec. 9th,	\$96.51;	16th,	\$154.64;	23d,	\$38.83.
	" 29th,	\$77.19.			<i>Ans.</i> Oct. 23, 1858.	

4. Sold Mdse. on 3 months' credit, as follows:

1858. July 5th, \$357.09; August 20th, \$158.85; 28th, \$178.52; Sept. 15th, \$161.75; 24th, \$378; Oct. 13th, \$184.17; Nov. 25th, \$75.43; Dec. 10th, \$87.50.

In payment, I received a Note on demand, dated Dec. 7th, 1858. What was the amount of the Note, at 6 per cent., May 22, 1859? *Ans.* \$1624.80.

NOTE. — The above examples may also be performed by first finding the date at which each bill becomes due, by adding its term of credit to its date, and then using these new dates to find the *average due* instead of the average date of sale. But the method given above is simpler, and the difference is generally of no value in the results. They may sometimes vary one day, owing to the effect of Leap year.

## CASE II.

### DIFFERENT DATES AND DIFFERENT TERMS OF CREDIT.

Goods of the same quality are often sold at different prices, according to the length of credit given; and the terms of credit are sometimes extended in particular cases, rather than to reduce the prices.

RULE. — *First find the date at which each of the bills becomes due. Then multiply each bill by the number of days between the date at which it is due and the earliest date at which any bill becomes due, and divide the sum of the products by the sum of the bills.*

Average the following account.

July 1, Mdse. (@ 2 months), \$76.10; Aug. 7, Mdse. (@ 3 months), \$45.67; Sept. 15, Mdse. (cash price), \$81.33; Oct. 20 (@ 2 months), \$59.71.

### OPERATION.

July 1 + 2 months =	Sept. 1, \$76.
Aug. 7 + 3 " =	Nov. 7, $46 \times 67 = 3082$
Sept. 15 " =	Sept. 15, $81 \times 14 = 1134$
Oct. 20 + 2 " =	Dec. 20, $60 \times 110 = 6600$
	263 )10816(41
Sept. 1 + 41 days = Oct. 12. <i>Ans.</i>	

In this operation we first find when each of the bills becomes due; and then, taking the first date at which any bill is due as the point from which to count the time on the several bills, we proceed as in Case I.

The first bill becomes due on the 1st of September, and from Sept. 1 to Nov. 6 there are 67 days; from Sept. 1 to Sept. 15, 14 days, and to Dec. 20, 110 days.

Multiplying the several bills by these numbers, and dividing the sum of the products by the whole amount of the bills, the quotient is the time in days, which are to be counted from the earliest date.

2. When was the following act. due, per average?

1858.	January 8,	To Mdse.	(6 mos.),	\$144.25
	Feb. 22,	"	(6 mos.),	74.95
	March 4,	"	(Cash),	150.37
	April 19,	"	(6 mos.),	249.84
	May 1,	"	(4 mos.),	60.86
	June 17,	"	(Cash),	119.12

*Ans.* July 22, 1858.

3. What is the average date for the payment of the following account?

Dr.		Warren M. Baker.			
1858.	July 5,	To Mdse.	(2 mos.)	\$171.19	
	Aug. 1,	"	(Cash)	142.21	
	Sept. 17,	"	(Cash)	210.35	
	Oct. 11,	"	(2 mos.)	321.94	
	Nov. 24,	"	(2 mos.)	213.67	
	Dec. 22,	"	(Cash)	156.88	
					Ans. Nov. 6, 1858.

COMPOUND EQUATIONS.

Accounts generally have both a debit and a credit side, and these rules, to be valuable, must be applicable to such accounts, to determine when they are due.

The question to be solved in Compound Equations is, When shall the *balance* of the account be paid? For if A owes B \$500, and B owes A \$400, it is not necessary for each actually to pay the other the full amount of his debt: but if A pays B \$100 at the right time, the account is properly settled.

RULE. — (1) *Average each side of the account separately, as in Cases I. and II.*

(2) *Multiply the amount due at the earlier average date by the number of days between the two average dates.*

(3) *Divide the product by the balance of the account, and the quotient will be the equated time in days, to be counted from the later average date.*

(4) *If the larger amount is due first, count back; but if the larger amount is due last, count forward from the later average date.*

EXAMPLE. — Suppose the last two examples in the preceding Case to be the two sides of my account with A. J. Robinson, viz.: the second to be the Dr. and the third the Cr. side. In whose favor is the balance, and when is it due? *Ans.* May 30, 1859.

Dr.		A. J. Robinson.		Cr.
1858		1858		
July 22.	Due, \$799.69.	Nov. 6.	Due, \$1216.24.	

OPERATION.

\$1216.24 — \$799.69 = \$416.55 = Balance of the acct.  
 From July 22 to Nov. 6 = 107 days.  
 $\$800 \times 107 = 85600$ ;  $85600 \div 417 = 205$ .  
 Nov. 6, 1858 + 205 days = May 30, 1859.

2. Average the following account.

Sold W. H. Seavey, on 6 months' credit:

1858. March 10, Mdse., \$409.37; March 24, Mdse., \$315.62; April 14, Mdse., \$245.56; May 20, Mdse., \$125.16; June 26, Mdse., \$86.40.

Received of him, — (Mdse. at 6 mos.),

1858. July 8, Cash, \$300; Aug. 2, Mdse., \$320.88; Sept. 7, Cash, 250; Oct. 12, Mdse., \$137.41.

*Ans.* April 14, 1858.

NOTE. — It may seem strange to the beginner that the balance of an account should be due before all the transactions have taken place. But although the account cannot be settled before the debts have been created, yet when the account is settled, the interest may be computed on the BALANCE from date of its *average due*, till the time of payment.

# A TIME TABLE,

To find the exact number of months, or days, from any day in one month to the same day of any other month, not more than a year distant.

No. of Month.	Days in a Month.		31	28-9	31	30	31	30	31	31	30	31	30	31
	From	To	JAN.	FEB.	MAR.	APR.	MAY.	JUNE.	JULY.	AUG.	SEPT.	OCT.	NOV.	DEC.
1	JANUARY.	Months.	12	1	2	3	4	5	6	7	8	9	10	11
		Days.	365	31	59	90	120	151	181	212	243	273	304	334
2	FEBRUARY.	Months.	11	12	1	2	3	4	5	6	7	8	9	10
		Days.	334	365	28	59	89	120	150	181	212	242	273	303
3	MARCH.	Months.	10	11	12	1	2	3	4	5	6	7	8	9
		Days.	306	337	365	31	61	92	122	153	184	214	245	275
4	APRIL.	Months.	9	10	11	12	1	2	3	4	5	6	7	8
		Days.	275	306	334	365	30	61	91	122	153	183	214	244
5	MAY.	Months.	8	9	10	11	12	1	2	3	4	5	6	7
		Days.	245	276	304	335	365	31	61	92	123	153	184	214
6	JUNE.	Months.	7	8	9	10	11	12	1	2	3	4	5	6
		Days.	214	245	273	304	334	365	30	61	92	122	153	183
7	JULY.	Months.	6	7	8	9	10	11	12	1	2	3	4	5
		Days.	184	215	243	274	304	335	365	31	62	92	123	153
8	AUGUST.	Months.	5	6	7	8	9	10	11	12	1	2	3	4
		Days.	153	184	212	243	273	304	334	365	31	61	92	122
9	SEPTEMBER.	Months.	4	5	6	7	8	9	10	11	12	1	2	3
		Days.	122	153	181	212	242	273	303	334	365	30	61	91
10	OCTOBER.	Months.	3	4	5	6	7	8	9	10	11	12	1	2
		Days.	92	123	151	182	212	243	273	304	335	365	31	61
11	NOVEMBER.	Months.	2	3	4	5	6	7	8	9	10	11	12	1
		Days.	61	92	120	151	181	212	242	273	304	334	365	30
12	DECEMBER.	Months.	1	2	3	4	5	6	7	8	9	10	11	12
		Days.	31	62	90	121	151	182	212	243	274	304	335	365

EXPLANATIONS. — To find the number of months or days from April 1 to July 1, look for April in the column at the left, and follow that line to the right, till under July, at the top, will be found 3 for the months, and 91 for the days. The time from July 1 to the preceding April 1 is found in the same manner; that is, proceed from the earlier to the later date.

How many days from March 10 to Sept. 16?

Opposite March, and under September, you will find 184, to which add 6, the number from the 10th to the 16th, and the whole number will be 190. *Ans.*

What is the number of days from June 12 to August 8?

Opposite June, and under August, find 61, which is the number from June 1 to August 12, from which *subtract* 4, because the second date is 4 days earlier in the month than the first, and the answer is 57 days, or 1 month and 27 days.

How many days from Jan. 1 to March 1?

From Jan. 1 to March 1, by the Table, there are 59 days; for there are 30 after the 1st in Jan., 28 in Feb. (in Leap-Year 29), and 1 in March.  $30+28+1=59$ . *Ans.*

# REMARKS.

1. In finding the number of days between two dates, *the first is omitted, and the last is included.* Thus, from July 4 to September 1 there are 59 days; for there are 27 in July, *after the 4th*, 31 in August, and 1 in September; and  $27 + 31 + 1 = 59$ .

2. In leap year February has 29 days; and when the number of the year is divisible by 4 it is leap year, as 1852, 1856, 1860, &c. When, therefore, the end of February, in a leap year, is included between the two dates, one day must be added to the number given in the table.

3. From any day in one month to the same day in the next is called a month, without regard to the exact number of days. Thus, from the 1st of January to the 1st of February is one month; and from January 12 to March 12 is 2 months.

4. When the time between two dates is to be expressed in months and days, the number of whole months may be ascertained by counting as directed in Remark 3, to which add the days remaining.

5. When a fractional part of a month is to be expressed in days, the whole month is considered as 30 days, a half 15, a third 10, and so on.

6. When the two dates are more than a year apart, the time is found for the part of a year; and then the whole years, or the number of months or days in the whole years, are added to the first answer. Thus, find the days between April 7, 1858, and October 16, 1859. From April 7 to October 16 is 192 days; and  $192 + 365 = 557$  days, or 1 year, 6 months, and 9 days.

7. When the time of a Note, Draft, &c., is specified in days, it must not be reckoned in months; for 60 days, 90 days, &c., are not exactly the same as 2 months, 3 months, &c.

8. Notes, &c., falling due on Sunday, or any legal holiday, must be paid on the previous day.

9. To find the date at which a given number of days will expire, counted from a given date, look in the table for the given number, and over it will be the month sought for; and the day will be the same as the given date. If the given number is not in the table, take the next less number, and proceed accordingly, adding the excess.

# EXAMPLES.

1. How many months and days from June 25, 1856, to September 1, in the same year? *Ans.* 2 months and 7 days, or 68 days.

2. What is the time from January 1, 1856, to March 17, 1856?

*Ans.* 76 days, or 2 months and 16 days.

3. How many days from December 15, 1855, to February 23, 1856?

*Ans.* 70 days.

4. How many months and days from November 13, 1858, to March 1, 1860?

*Ans.* 15 months and 17 days.

5. What is the time from December 30, 1858, to Feb. 23, 1861?

*Ans.* 2 years, 1 month, 24 days.

6. On what day will a Note be due which is dated May 12, payable in 2 months?

*Ans.* July 15.

7. A Note was dated October 12, 1851, payable in 90 days. When was it due?

*Ans.* January 13, 1852.

8. When should a Note be paid which is dated December 30, payable in 2 months, without grace? *Ans.* Last day of February,—27, 28, or 29.

9. A Draft was drawn on the 1st July, 1858, payable 60 days from date. When was it due?

*Ans.* Sept. 2.

10. A Draft, dated May 7, payable 30 days and grace, *after sight*, was accepted May 18th, 1858. When was it due?

*Ans.* June 19.

11. A Note, @ 30 days, was due at a bank on Friday, July 3, 1857. What was the date of it?

*Ans.* May 31, June 1 or 2.

12. A Draft, payable 30 days and grace, *after sight*, was due June 7. What was the date of the acceptance?

*Ans.* May 5.

13. A Note, @ 60 days, *fell due* on Saturday, Mar. 1. What was the date of it?

*Ans.* Dec. 28, 29, or 30.

14. A four-month Note, without grace, was payable at a bank on Saturday, Feb. 27. What was its date?

*Ans.* Oct. 27, 28, 29, 30, or 31.

15. When should a two-month Note be paid which was made on Sunday, April 13, 1856?

## EXPLANATION OF BUSINESS FORMS.

## THE BILL-HEADING.

THIS is the common form for a Bill of Parcels, written at the time of the sale, and given by the seller to the buyer. If the payment is not made at the time, the signature is omitted; but if the payment is made, the bill should be receipted and signed thus:

*"Received Payment,  
Crosby, Nichols & Co."*

If the payment is received by a clerk or other person who is not fully authorized to sign the name of the firm, he should add his own name, thus:

*"Crosby, Nichols & Co.  
by A. B."*

The Bill, after it is receipted and signed, is kept by the purchaser, as evidence not only of the payment, but also of the time, price, quality, &c.

## R E C E I P T S .

When money is paid by one person to another, it is not enough that the parties are respectively debited or credited; because such entries might be made by one, without the knowledge of the other. But the receiver should state in writing that the money was received from the other person, at such a time, and for

such a purpose. This statement signed by the receiver of the money, and called a receipt, is kept by the other person, and is conclusive evidence, unless it can be shown that the paper is a forgery, or that a mistake has been made, or something omitted.

**RECEIPT ON ACCOUNT.**—This may be either for a part or the whole amount due from a person on a Ledger account, and he should be credited for it on the Day-Book or Journal.

**RECEIPT IN FULL.**—A receipt in full of *accounts* has reference to accounts only; but a receipt in full of all demands *cuts off* all notes and claims of any kind, to that date, between the parties themselves.

**THE RECEIPT FOR A SUM TO BE ENDORSED** is given when the Note, on which the endorsement is to be made, is not at hand. But when the Note is found the endorsement is also made.

**RECEIPT FOR A SUM PAID BY A THIRD PERSON.**—The names of both the debtor and the messenger are included; but the debtor only is credited on the books.

A **RECEIPT FOR PROPERTY** of any kind, left in the care of the receiver for storage, or for any other purpose, should specify the facts in all their particulars.

## D U E - B I L L S .

A **DUE-BILL** is paper by which a debtor indirectly promises to pay a certain sum in Cash, or some specified kind of property. If payable on demand, or in merchandise, it does not bear interest till payment has been demanded, unless interest is mentioned in it.



NOTES.

A NOTE is a written promise to pay a given sum to a certain party, at some future time. If it is made payable to a certain person, and does not contain the words "or order," or "or bearer," it can be collected by that person only. But if it is payable to the *bearer*, or to some person, *or bearer*, any person, who may have it in his possession when it falls due, may collect it; and it may be sold or passed from hand to hand indefinitely.

If it is made payable "to the order of" any particular person, or to that person *or his order*, then, if he transfers it to another person, he must write his own name across the back of it. This is called an endorsement, and is either *in blank*, consisting of the name of the endorser only,—in which case the bearer or holder may collect it when it becomes due,—or the endorsement may be *in full*, consisting of the name of the endorser, and also that of the person to whom it is transferred and thus made payable.

A NOTE ON DEMAND is payable whenever payment is demanded in the presence of a witness, and bears interest from that time, or from the time when a suit for its collection is commenced, whether interest is specified in the Note or not.

A Note payable at a specified time bears interest from the end of that time.

A JOINT AND SEVERAL NOTE, so called, is one which is signed by two or more persons, not partners, and the payment may be demanded of all the signers together, or of either one of them, as the holder may choose;

but when payment has been made by one or more of the signers, the others are released from any further liability.

A NOTE PAYABLE IN MERCHANDISE is not entitled to *grace*, because it is presumed that the merchandise or property is on hand, and can be paid at one time as well as another, though the cash might not be.

NOTES FOR DIFFERENT STATES vary in form, to comply with the requirements of the laws of the several States where they are made.

A NOTE TO BE DISCOUNTED AT A BANK should not specify interest. When it is left at the Bank to be discounted, the person to whom it is payable must endorse it; and then, if the officers of the Bank are willing to discount it, they compute the interest on the sum named in the Note for the time it has yet *to run*, and subtracting it from the former, they give to the holder of the Note the remainder, which is thence called the *proceeds* or *avails*. The Note itself is taken and kept by the Bank, till it is paid by the original signer.

DAYS OF GRACE.—Generally three days, called days of grace, are allowed to the payer, in addition to the time specified in the Note, in which to pay it; and if it is not paid at the end of this time, it is *protested*. The process of protesting is as follows:

An officer, called a "Notary Public," takes the Note, calls on the signer, and requests him to pay it. If he refuses or neglects to do it, the Notary notifies the endorser, in writing, of the non-payment, and the Bank then looks to the endorser for the payment of the Note, with the cost of protesting, &c. If both the signer and

endorser neglect to make payment, the Bank, or the holder of the Note, may sue either or both.

AN ORDER is a written request for the delivery of goods or property of some kind to a third person, and is kept by the deliverer as evidence of his authority.

An Order for the payment of a sum of money at some future time named may be *accepted* by the person on whom it is drawn, who is thereby bound to pay it when it is due.

### DRAFTS.

A DRAFT is an order for the payment of a sum of money, either at sight, or at the expiration of a certain time.

A DRAFT AT SIGHT is payable when presented, either with or without *grace*, according to the laws of the several States. In Vermont, Connecticut, New York, Pennsylvania, Maryland, Virginia, Georgia, Florida, Mississippi, Tennessee, Missouri, and California, no grace is allowed. But in Maine, New Hampshire, Massachusetts, N. Carolina, So. Carolina, Alabama, Indiana, Iowa, Michigan, and Wisconsin, grace is allowed; while in the other States of the Union there are no laws on the subject, and the practice is not perfectly uniform.

DRAFTS OR BILLS payable *on demand* are not generally entitled to grace.

A DRAFT ON TIME is payable at the end of a specified number of months, or days, with the usual *days of grace*. It may be drawn so as to be payable at a certain length of time from its date, or from sight,—*that is*, from the time when the person on whom it is drawn first sees it,—or the time when it is presented for acceptance.

### BILLS OF EXCHANGE.

A BILL OF EXCHANGE is similar to a Draft; but when drawn on a distant place, several copies (usually three) are made; and these are called a Set of Exchange. These several copies are sent by different conveyances, so that there may be no delay in regard to their arrival. They are so written that when one of them has been paid or accepted, the others are of no value. The first contains this clause, "*Second and Third of the same tenor and date unpaid, pay to the order;*" &c.; by which is meant, that if neither the *second* nor *third* copies of this bill have been paid or accepted, then the party on whom it is drawn is requested to pay or accept this. The other two copies are written in a similar style, except the variation of the words *first*, *second*, and *third*.

A Bill of Exchange or Draft is *accepted* by writing across the face of it, usually with red ink, the word "Accepted," with the signature of the party accepting it; and if payable at a certain time "after sight," the date of the acceptance should also be added. Thus: If A. B. accepts a Draft on the 10th of Sept., 1858, payable 60 days after sight, the form of his acceptance would be:

"Accepted, September 10, 1858.

— A. B."

THE PROTEST for non-payment of a Draft or Bill of Exchange is similar to that of a Note; but a full statement of the process, and of the laws and customs relating to Bills, would occupy more space than can profitably be devoted to it in this work.



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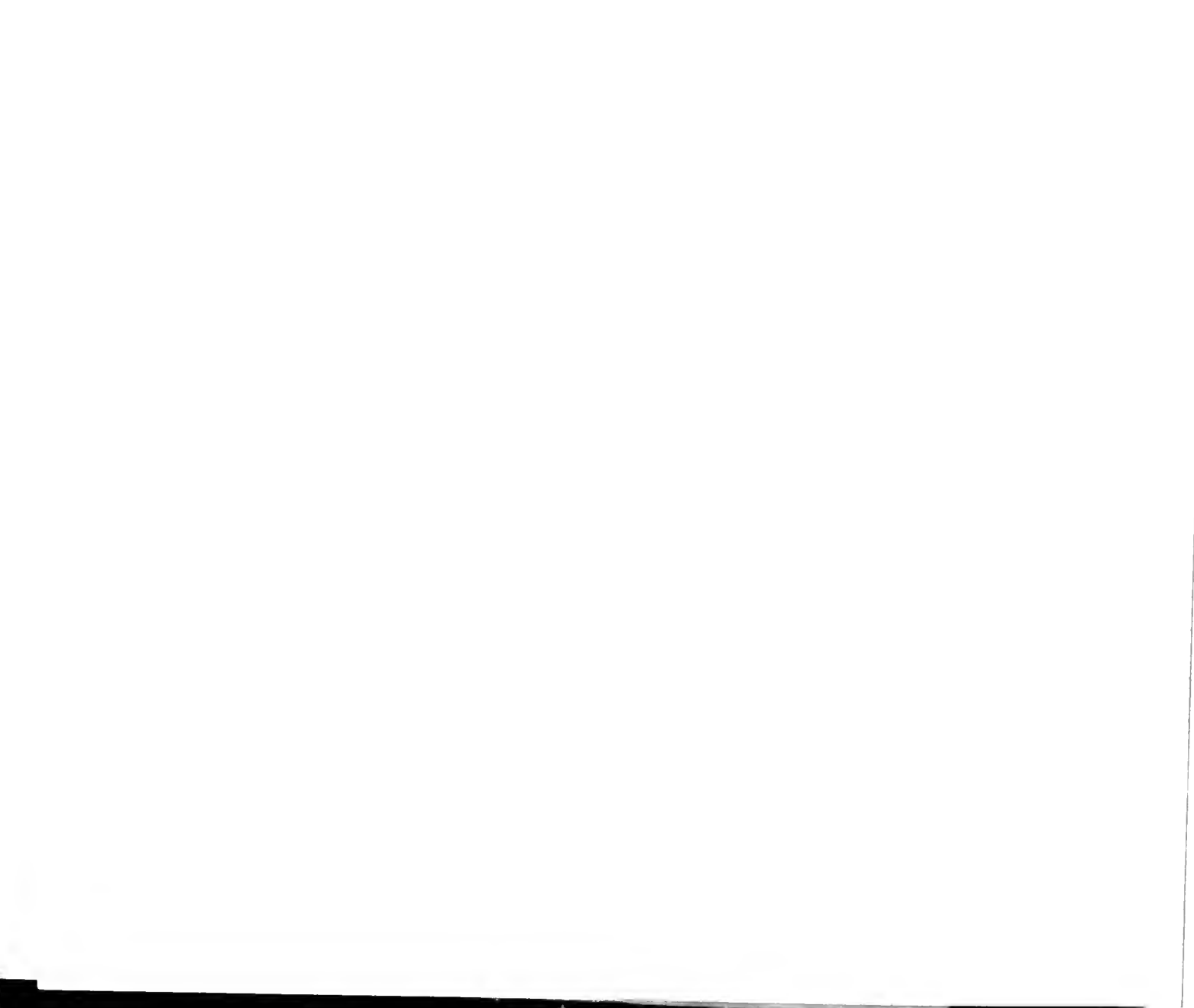
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